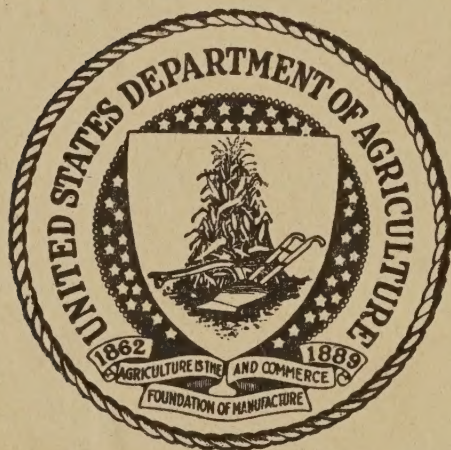


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REVISED EDITION
OF
LAWS APPLICABLE
TO THE UNITED STATES
DEPARTMENT OF AGRICULTURE

1945

CONTAINING
LAWS APPLICABLE TO THE DEPARTMENT
UP TO AND INCLUDING THE 78TH CONGRESS,
REORGANIZATION PLANS, EXECUTIVE ORDERS REFLECTING
THE ORIGIN AND ORGANIZATION OF AGENCIES
OF THE DEPARTMENT, AND CURRENT
APPROPRIATION PROVISIONS.

Compiled under the direction of
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by

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CONTENTS

	Page
CONSTITUTION OF THE UNITED STATES.....	1
TITLE 1—GENERAL PROVISIONS:	
Rules of Construction.....	14
TITLE 2—THE CONGRESS:	
Library of Congress.....	15
TITLE 3—THE PRESIDENT:	
Office and compensation of President.....	15
TITLE 4—FLAG AND SEAL, SEAT OF GOVERNMENT, AND THE STATES.....	16
TITLE 5—EXECUTIVE DEPARTMENTS AND GOVERNMENT OFFICERS AND EMPLOYEES:	
Provisions applicable to departments and officers generally.....	18
Department of Treasury.....	75
Department of Justice.....	75
Department of Agriculture.....	77
Civil Service Commission and classified civil service.....	94
Classification of civilian positions.....	102
Retirement of civil-service employees.....	122
Compensation for injuries to employees of United States.....	143
Subsistence Expense Act of 1926.....	154
Preference of veterans in government employment.....	156
TITLE 6—OFFICIAL AND PENAL BONDS.....	163
TITLE 7—AGRICULTURE	
Commodity Exchanges.....	166
Cotton Standards Act.....	185
Grain Standards Act.....	190
Naval Stores Act.....	195
Insecticides Act.....	198
Insect pests generally.....	204
Nursery stock and other plants and plant products.....	210
Rubber.....	219
Packers and stockyards.....	222
Warehouses.....	239
Honeybees.....	248
Associations of producers of agricultural products.....	248
Agricultural and mechanical colleges.....	250
Agricultural experiment stations.....	262
Bureau of Animal Industry.....	273
Bureau of Dairying.....	274
Miscellaneous matters.....	275
Cooperative Marketing Act.....	285
Cotton statistics and estimates.....	290
Farm produce received in interstate commerce by commission merchants and others; destruction or dumping; investigation of quality and condition of produce.....	293
Perishable Agricultural Commodities Act.....	295
Tobacco statistics.....	309
Tobacco Inspection Act.....	311
Tobacco control.....	317
Agricultural Marketing Act.....	322
Foreign Agricultural Service.....	322
Perishable Agricultural Commodities Act.....	326
Export standards for apples and pears.....	326
Agricultural Adjustment Act of 1933.....	328
Agricultural Marketing Agreement Act.....	398
Cotton marketing.....	399
Anti-hog-cholera serum and hog-cholera virus.....	401
Rural electrification.....	402
Peanut statistics.....	408

	Page
Farm tenancy.....	410
Sugar production and control.....	422
Agriculture Adjustment Act of 1938.....	439
Crop insurance.....	502
Seeds	511
TITLE 10—ARMY:	
Quartermaster Corps.....	531
Reserve forces.....	531
Commissioned Officers.....	532
Supplies, stores and services.....	532
Transportation of troops and supplies; Army transport service.....	533
Surplus War Department real property; sale; disposition of proceeds	534
TITLE 12—BANKS AND BANKING:	
Federal Reserve System.....	534
Farm Credit Administration.....	535
Adjustment and cancellation of farm loans.....	668
Local agricultural-credit corporations, livestock-loan companies and like organizations; loans to individuals to aid in formation or to increase capital stock.....	670
Federal Credit Unions.....	671
TITLE 13—CENSUS:	
Cotton statistics.....	679
Cottonseed statistics.....	681
Fifteenth and subsequent decennial censuses.....	681
TITLE 15—COMMERCE AND TRADE:	
Federal Trade Commission.....	683
Standard baskets and containers.....	689
Standard hampers, round stave baskets and splint basket for fruits and vegetables.....	691
Federal Caustic Poison Act.....	694
Textile foundation.....	700
Reconstruction Finance Corporation.....	701
Commodity Credit Corporation.....	711
TITLE 16—CONSERVATION:	
The National Parks, Military Parks, Monuments and Seashores.....	722
The National Forests.....	737
Forest protection; Forest Service; Reforestation.....	766
Soil Conservation.....	792
Protection of timber and depredations.....	821
Game and bird preserves; protection.....	824
Fish and wildfire service.....	829
Federal Power Act.....	829
TITLE 17—COPYRIGHTS.....	830
TITLE 18—CRIMINAL CODE AND CRIMINAL PROCEDURE:	
Offenses against elective franchise and civil rights of citizens.....	831
Offenses against operations of Government.....	841
Offenses relating to official duties.....	855
Offenses against public justice.....	867
Offenses against foreign and interstate commerce.....	871
Offenses within Admiralty, Maritime and Territorial Jurisdiction of United States.....	872
Criminal Procedure—General provisions.....	873
Limitations	873
United States Prisons in general.....	874
Prison Camps.....	875
Additional institutions for confinement of male persons.....	876
TITLE 19—CUSTOMS DUTIES:	
Tariff Act of 1930.....	876
United States Tariff Commission.....	878
Promotion of foreign trade.....	878

	Page
TITLE 20—EDUCATION:	
Vocational Education.....	879
Smithsonian Gallery of Art.....	880
National Zoological Park.....	880
Government collections and institutions for research, and material for educational institutions.....	880
Vending stands for blind in Federal buildings.....	881
National Arboretum.....	883
TITLE 21—FOOD AND DRUGS:	
Animals, meats, and meat and dairy products.....	884
Importation of milk and cream.....	902
Viruses, serums, toxins, anti-toxins, and analogous products.....	903
Federal Food, Drug, and Cosmetic Act.....	905
TITLE 22—FOREIGN RELATIONS AND INTERCOURSE:	
Diplomatic and Consular Service generally.....	905
Passports	906
International bureaus, congresses, etc.....	906
Foreign Service Buildings.....	906
Foreign wars, war materials and neutrality.....	907
Hemisphere relations.....	911
TITLE 23—HIGHWAYS:	
Federal Highway Act.....	913
TITLE 24—HOSPITALS, ASYLUMS, AND CEMETERIES.....	914
TITLE 25—INDIANS.....	915
TITLE 26—INTERNAL REVENUE CODE:	
Income tax.....	916
Collection of income tax at source on wages.....	924
Cotton Futures.....	936
Oleomargarine, adulterated butter, and process and renovated butter	945
Filled cheese	956
Narcotics	957
Manufacturers' Excise Tax.....	958
Import taxes.....	964
Telegraph, telephone, radio, and cable facilities.....	966
Transportation of persons.....	968
Transportation of property.....	969
TITLE 28—JUDICIAL CODE AND JUDICIARY:	
The Court of Claims.....	971
The Supreme Court.....	976
Fees of jurors and witnesses.....	978
Evidence	979
TITLE 29—LABOR:	
Fair Labor Standards.....	980
TITLE 30—MINERAL LANDS AND MINING:	
Mineral lands and regulations in general.....	980
Entry under mining laws of lands containing petroleum, or other mineral oils, or gas.....	988
Agricultural entry of lands withdrawn or classified as containing phosphate, nitrate, potash, oil, gas, or asphaltic minerals.....	989
Entry of building-stone or saline lands under Placer-mining laws....	991
Leases and Prospecting Permits.....	992
Lease of oil and gas deposits in or under railroads and other rights-of-way	1017
Synthetic liquid fuel demonstration plants.....	1019
TITLE 31—MONEY AND FINANCE:	
The national budget and audit system.....	1021
Audit and settlement of accounts.....	1028
The Treasurer.....	1038
Bureau of Engraving and Printing.....	1040
Debts due by, or to, the United States.....	1040

	Page
The public moneys.....	1047
Appropriations	1061
The Public Debt.....	1076
TITLE 32—NATIONAL GUARD.....	1076
TITLE 33—NAVIGATION AND NAVIGABLE WATERS:	
Flood Control.....	1077
TITLE 34—NAVY:	
Naval property, stores, supplies, and contracts.....	1086
The Marine Corps.....	1086
Naval Reserve and Marine Corps Reserve.....	1087
TITLE 35—PATENTS:	
Patents	1089
TITLE 36—PATRIOTIC SOCIETIES AND OBSERVANCE:	
National Observances.....	1100
TITLE 38—PENSIONS, BONUSES AND VETERANS' RELIEF:	
World War II servicemen's readjustment benefits.....	1101
TITLE 39—THE POSTAL SERVICE:	
Franking privilege.....	1103
TITLE 40—PUBLIC BUILDINGS, PROPERTY, AND WORKS:	
Public buildings, grounds, parks, and wharves in District of Columbia	1108
Public buildings and works generally.....	1112
The public property.....	1125
Hours of labor on public works.....	1132
Emergency public works and construction projects.....	1136
TITLE 41—PUBLIC CONTRACTS:	
General provisions.....	1138
Termination of war contracts.....	1152
TITLE 42—THE PUBLIC HEALTH AND WELFARE:	
The Public Health Service.....	1179
TITLE 43—PUBLIC LANDS:	
Geological Survey.....	1181
Registers	1181
Withdrawal from settlement, location, sale or entry.....	1182
Timber and stone lands.....	1183
Grazing lands.....	1184
Reclamation and irrigation of lands by Federal Government.....	1185
Rights-of-way and other easements in public lands.....	1185
Unlawful inclosures or occupancy; obstructing settlement or transit	1194
TITLE 44—PUBLIC PRINTING AND DOCUMENTS:	
Joint Committee on printing; general powers; contracts.....	1196
Government Printing Office.....	1196
Superintendent of documents; distribution of documents in general	1197
Printing and binding generally.....	1200
Congressional printing in general.....	1201
Congressional records, bills, and laws.....	1202
Executive and Departmental printing in general.....	1203
Particular reports and documents.....	1208
National Archives.....	1210
Federal Register.....	1211
Advertisements	1216
Disposition of records.....	1217
TITLE 45—RAILROADS:	
Care of animals in transit.....	1220
TITLE 46—SHIPPING:	
Transportation of passengers and merchandise by steam vessels....	1222
Merchant Marine Act, 1936.....	1222

TITLE 47—TELEGRAPHS, TELEPHONES, AND RADIOTELE-
GRAPHS:

Telegraphs	1223
Wire and radio communications.....	1225

TITLE 48—TERRITORIES AND INSULAR POSSESSIONS:

Alaska	1225
Puerto Rico.....	1227
Canal Zone Biological Area.....	1227
Territorial provisions of a general nature.....	1228

TITLE 49—TRANSPORTATION:

Legislative supplementary to "Interstate Commerce Act".....	1228
Civil Aeronautics Act.....	1229
Training of civil aircraft pilots.....	1230

TITLE 50—WAR:

Council of National defense.....	1230
Arsenals, armories, arms, and war materials.....	1232
Acquisition of and expenditures on land for national-defense purposes	1235

TITLE 50—WAR APPENDIX:

Selective Training and Service Act of 1940.....	1235
Service Extension Act of 1941.....	1243
Army Reserve and Retired Personal Service Law of 1940.....	1244
First War Powers Act, 1941.....	1245
Second War Powers Act, 1942.....	1261
Requisition of military equipment, materials and supplies	1272
Emergency Price Control Act of 1942.....	1275
Stabilization Act of 1942.....	1290
War and Defense Contract Acts.....	1297
Farm Labor Supply Appropriation Act, 1944.....	1301
War Overtime Pay Act of 1943.....	1311
Civilian reemployment of members of Merchant Marine.....	1316
War Labor Disputes Act.....	1316
Surplus Property Act of 1944.....	1318
War Mobilization and Reconversion Act of 1944.....	1341

TITLE 60—MISCELLANEOUS STATUTES:

Motor vehicles, D. C.....	1353
Other applicable statutes.....	1355
Lands acquired by the Department of Agriculture.....	1359
National Forests.....	1363
Appropriation Acts.....	1371

INDEX	1453
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FOREWORD

The first edition of "The Laws Applicable to the United States Department of Agriculture" was published in 1908 to fill a need for a book of reference containing all federal laws relating to agriculture. Three revised editions of the work have been published and its usefulness has been fully demonstrated. During the ten years since the last edition was published highly important and extensive changes have taken place in legislation affecting agriculture. A new edition of this work has become a necessity.

The editing and publication of this edition has been undertaken with the purpose of improving the general usefulness of the work. Helpful suggestions have been received and are gratefully acknowledged. Two principal changes have been made. First, the system of organization employed in the United States Code has been adopted. Reference to titles and sections now correspond and the same method of citation may be employed. Title 60, containing statutes of interest to the Department, including current appropriations, has been added. Secondly, provision for the inclusion of annual pocket supplements will serve to keep the edition up to date as a practical legislative reference work.

This edition, in two volumes, includes all laws relating to agriculture, including those enacted by the 78th Congress, applicable portions of reorganization plans under the 1939 Reorganization Act, and pertinent Executive Orders bearing upon the organization of the Department of Agriculture. To facilitate reference, in addition to a subject index, all statutes administered by each bureau or agency are listed together.

The work of all those who assisted in the preparation and publication of this revised edition is gratefully acknowledged.

CONSTITUTION OF THE UNITED STATES OF AMERICA

We the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America.

Article I

SECTION 1. All legislative Powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

SEC. 2. The House of Representatives shall be composed of Members chosen every second Year by the People of the several States, and the Electors in each State shall have the Qualifications requisite for Electors of the most numerous Branch of the State Legislature.

No Person shall be a Representative who shall not have attained to the Age of twenty five Years, and been seven Years a Citizen of the United States, and who shall not, when elected, be an Inhabitant of that State in which he shall be chosen.

Representatives and direct Taxes shall be apportioned among the several States which may be included within this Union, according to their respective Numbers, which shall be determined by adding to the whole Number of free Persons, including those bound to Service for a Term of Years, and excluding Indians not taxed, three fifths of all other Persons. The actual Enumeration shall be made within three Years after the First Meeting of the Congress of the United States, and within every subsequent Term of ten Years, in such Manner as they shall by Law direct. The Number of Representatives shall not exceed one for every thirty Thousand, but each State shall have at Least one Representative; and until such enumeration shall be made, the State of New Hampshire shall be entitled to chuse three, Massachusetts eight, Rhode-Island and Providence Plantations one, Connecticut five, New-York six, New Jersey four, Pennsylvania eight, Delaware one, Maryland six, Virginia ten, North Carolina five, South Carolina five, and Georgia three.

When vacancies happen in the Representation from any State, the Executive Authority thereof shall issue Writs of Election to fill such Vacancies.

The House of Representatives shall chuse their Speaker and other Officers; and shall have the sole Power of Impeachment.

SEC. 3. The Senate of the United States shall be composed of two Senators from each State, chosen by the Legislature thereof, for Six Years; and each Senator shall have one Vote.

Immediately after they shall be assembled in Consequence of the first Election, they shall be divided as equally as may be into three Classes. The Seats of the Senators of the first Class shall be vacated at the Expiration of the second Year, of the second Class at the Expiration of the fourth Year, and the third Class at the Expiration of the sixth Year, so that one third may be chosen

every second Year; and if Vacancies happen by Resignation, or otherwise, during the Recess of the Legislature of any State, the Executive thereof may make temporary Appointments until the next Meeting of the Legislature, which shall then fill such Vacancies.

No person shall be a Senator who shall not have attained to the the Age of thirty Years, and been nine Years a Citizen of the United States, and who shall not, when elected, be an Inhabitant of that State for which he shall be chosen.

The Vice President of the United States shall be President of the Senate, but shall have no Vote, unless they be equally divided.

The Senate shall chuse their other officers, and also a President pro tempore, in the Absence of the Vice President, or when he shall exercise the Office of President of the United States.

The Senate shall have the sole Power to try all Impeachments. When sitting for that Purpose, they shall be on Oath or Affirmation. When the President of the United States is tried the Chief Justice shall preside: And no Person shall be convicted without the Concurrence of two thirds of the Members present.

Judgment in Cases of Impeachment shall not extend further than to removal from Office, and disqualification to hold and enjoy any Office of honor, Trust or Profit under the United States: but the Party convicted shall nevertheless be liable and subject to Indictment, Trial, Judgment and Punishment, according to Law.

SEC. 4. The Times, Places and Manner of holding Elections for Senators and Representatives, shall be prescribed in each State by the Legislature thereof; but the Congress may at any time by Law make or alter such Regulations, except as to the Places of chusing Senators.

The Congress shall assemble at least once in every Year, and such Meeting shall be on the first Monday in December, unless they shall by Law appoint a different Day.

SEC. 5. Each House shall be the Judge of the Elections, Returns and Qualifications of its own Members, and a Majority of each shall constitute a Quorum to do Business; but a smaller Number may adjourn from day to day, and may be authorized to compel the Attendance of absent Members, in such Manner, and under such Penalties as each House may provide.

Each House may determine the Rules of its Proceedings, punish its Members for disorderly Behaviour, and, with the Concurrence of two thirds, expel a Member.

Each House shall keep a Journal of its Proceedings, and from time to time publish the same, excepting such Parts as may in their Judgment require Secrecy; and the Yeas and Nays of the Members in either House on any question shall, at the Desire of one fifth of those Present, be entered on the Journal.

Neither House, during the Session of Congress, shall, without the Consent of the other, adjourn for more than three days, nor to any other Place than that in which the two Houses shall be sitting.

SEC. 6. The Senators and Representatives shall receive a Compensation for their Services, to be ascertained by Law, and paid out of the Treasury of the United States. They shall in all Cases, except Treason, Felony and Breach of the Peace, be privileged

from Arrest during their Attendance at the Session of their respective Houses, and in going to and returning from the same; and for any Speech or Debate in either House, they shall not be questioned in any other Place.

No Senator or Representative shall, during the Time for which he was elected, be appointed to any civil Office under the Authority of the United States, which shall have been created, or the Emoluments whereof shall have been encreased during such time; and no person holding any Office under the United States, shall be a Member of either House during his Continuance in Office.

SEC. 7. All Bills for raising Revenue shall originate in the House of Representatives; but the Senate may propose or concur with Amendments as on other Bills.

Every Bill which shall have passed the House of Representatives and the Senate, shall, before it becomes a Law, be presented to the President of the United States; If he approve he shall sign it, but if not he shall return it, with his Objections to that House in which it shall have originated, who shall enter the Objections at large on their Journal, and proceed to reconsider it. If after such Reconsideration two thirds of that House shall agree to pass the Bill, it shall be sent, together with the Objections, to the other House, by which it shall likewise be reconsidered, and if approved by two thirds of that House, it shall become a Law. But in all such Cases the Votes of both Houses shall be determined by yeas and Nays, and the Names of the Persons voting for and against the Bill shall be entered on the Journal of each House respectively. If any Bill shall not be returned by the President within ten Days (Sundays excepted) after it shall have been presented to him, the Same shall be a Law, in like Manner as if he had signed it, unless the Congress by their Adjournment prevent its Return, in which Case it shall not be a Law.

Every Order, Resolution, or Vote to which the Concurrence of the Senate and House of Representatives may be necessary (except on a question of Adjournment) shall be presented to the President of the United States; and before the Same shall take Effect, shall be approved by him, or being disapproved by him, shall be repassed by two thirds of the Senate and House of Representatives, according to the Rules and Limitations prescribed in the Case of a Bill.

SEC. 8. The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States; but all Duties, Imposts and Excises shall be uniform throughout the United States;

To borrow Money on the credit of the United States;

To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes;

To establish an uniform Rule of Naturalization, and uniform Laws on the subject of Bankruptcies throughout the United States;

To coin Money, regulate the Value thereof, and of foreign Coin, and fix the Standard of Weights and Measures;

To provide for the Punishment of counterfeiting the Securities and current Coin of the United States;

To establish Post Offices and post Roads;

To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries;

To constitute Tribunals inferior to the supreme Court;

To define and punish Piracies and Felonies committed on the high Seas, and Offences against the Law of Nations;

To declare War, grant Letters of Marque and Reprisal, and make Rules concerning Captures on Land and Water;

To raise and support Armies, but no Appropriation of Money to that Use shall be for a longer Term than two Years;

To provide and maintain a Navy;

To make Rules for the Government and Regulation of the land and Naval Forces;

To provide for calling forth the Militia to execute the Laws of the Union, suppress Insurrections and repel Invasions;

To provide for organizing, arming, and disciplining, the Militia, and for governing such Part of them as may be employed in the Service of the United States, reserving to the States respectively, the Appointment of the Officers, and the Authority of training the Militia according to the discipline prescribed by Congress;

To exercise exclusive Legislation in all Cases whatsoever, over such District (not exceeding ten Miles square) as may, by Cession of particular States, and the Acceptance of Congress, become the Seat of the Government of the United States, and to exercise like Authority over all Places purchased by the Consent of the Legislature of the State in which the Same shall be, for the Erection of Forts, Magazines, Arsenals, dock-Yards, and other needful Buildings;—And

To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all others Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof.

SEC. 9. The Migration or Importation of such Persons as any of the States now existing shall think proper to admit, shall not be prohibited by the Congress prior to the Year one thousand eight hundred and eight, but a Tax or duty may be imposed on such Importation, not exceeding ten dollars for each Person.

The Privilege of the Writ of Habeas Corpus shall not be suspended, unless when in Cases of Rebellion or Invasion the public Safety may require it.

No Bill of Attainder or ex post facto Law shall be passed.

No Capitation, or other direct, Tax shall be laid, unless in Proportion to the Census or Enumeration herein before directed to be taken.

No Tax or Duty shall be laid on Articles exported from any State.

No Preference shall be given by any Regulation of Commerce or Revenue to the Ports of one State over those of another: nor shall Vessels bound to, or from, one State, be obliged to enter, clear, or pay Duties in another.

No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.

No Title of Nobility shall be granted by the United States: And no Person holding any Office of Profit or Trust under them, shall, without the Consent of the Congress, accept of any present, Emolument, Office, or Title, of any kind whatever, from any King, Prince, or foreign State.

SEC. 10. No State shall enter into any Treaty, Alliance, or Confederation; grant Letters of Marque and Reprisal; coin Money; emit Bills of Credit; make any Thing but gold and silver Coin a Tender in Payment of Debts; pass any Bill of Attainder, ex post facto Law, or Law impairing the Obligation of Contracts, or grant any Title of Nobility.

No State shall, without the Consent of the Congress, lay any Imposts or Duties on Imports or Exports, except what may be absolutely necessary for executing it's inspection Laws: and the net Produce of all Duties and Imposts, laid by any State on Imports or Exports, shall be for the Use of the Treasury of the United States; and all such Laws shall be subject to the Revision and Controul of the Congress.

No State shall, without the Consent of Congress, lay any Duty of Tonnage, keep Troops, or Ships of War in time of Peace, enter into any Agreement or Compact with another State, or with a foreign Power, or engage in War, unless actually invaded, or in such imminent Danger as will not admit of delay.

Article II

SECTION 1. The executive Power shall be vested in a President of the United States of America. He shall hold his Office during the Term of four Years, and, together with the Vice President, chosen for the same Term, be elected, as follows

Each State shall appoint, in such Manner as the Legislature thereof may direct, a Number of Electors, equal to the whole Number of Senators and Representatives to which the State may be entitled in the Congress: but no Senator or Representative, or Person holding an Office of Trust or Profit under the United States, shall be appointed an Elector.

The Electors shall meet in their respective States, and vote by Ballot for two Persons, of whom one at least shall not be an Inhabitant of the same State with themselves. And they shall make a List of all the Persons voted for, and of the Number of Votes for each; which List they shall sign and certify, and transmit sealed to the Seat of the Government of the United States, directed to the President of the Senate. The President of the Senate shall, in the Presence of the Senate and House of Representatives, open all the Certificates, and the Votes shall then be counted. The Person having the greatest Number of Votes shall be the President, if such Number be a Majority of the whole number of Electors appointed; and if there be more than one who have such Majority, and have an equal Number of Votes, then the House of Representatives shall immediately chuse by Ballot one of them for President; and if no Person have a Majority, then from the five highest on the List the said House shall in like Manner chuse the President. But in chusing the President, the Votes shall be taken by States, the Representation from each State having one Vote;

A quorum for this Purpose shall consist of a Member or Members from two thirds of the States, and a Majority of all the States shall be necessary to a Choice. In every Case, after the Choice of the President, the Person having the greatest Number of Votes of the Electors shall be the Vice President. But if there should remain two or more who have equal Votes, the Senate shall chuse from them by Ballot the Vice President.

The Congress may determine the Time of chusing the Electors, and the Day on which they shall give their Votes; which Day shall be the same throughout the United States.

No Person except a natural born Citizen, or a Citizen of the United States, at the time of the Adoption of this Constitution, shall be eligible to the Office of President; neither shall any Person be eligible to that Office who shall not have attained to the Age of thirty five Years, and been fourteen Years a Resident within the United States.

In Case of the Removal of the President from Office, or of his Death, Resignation, or Inability to discharge the Powers and Duties of the said Office, the Same shall devolve on the Vice President, and the Congress may by Law provide for the Case of Removal, Death, Resignation or Inability, both of the President and Vice President, declaring what Officer shall then act as President, and such Officer shall act accordingly, until the Disability be removed, or a President shall be elected.

The President shall, at stated Times, receive for his Services, a Compensation, which shall neither be encreased nor diminished during the Period for which he shall have been elected, and he shall not receive within that Period any other Emolument from the United States, or any of them.

Before he enter on the Execution of his Office, he shall take the following Oath or Affirmation:—"I do solemnly swear (or affirm) that I will faithfully execute the Office of President of the United States, and will to the best of my Ability, preserve, protect and defend the Constitution of the United States."

SEC. 2. The President shall be Commander in Chief of the Army and Navy of the United States, and of the Militia of the several States, when called into the actual Service of the United States; he may require the Opinion, in writing, of the principal Officer in each of the executive Departments, upon any Subject relating to the Duties of their respective Offices, and he shall have Power to grant Reprieves and Pardons for Offences against the United States, except in Cases of Impeachment.

He shall have Power, by and with the Advice and Consent of the Senate, to make Treaties, provided two thirds of the Senators present concur; and he shall nominate, and by and with the Advice and Consent of the Senate, shall appoint Ambassadors, other public Ministers and Consuls, Judges of the supreme Court, and all other Officers of the United States, whose Appointments are not herein otherwise provided for, and which shall be established by Law; but the Congress may by Law vest the Appointment of such inferior Officers, as they think proper, in the President alone, in the Courts of Law, or in the Heads of Departments.

The President shall have Power to fill up all Vacancies that may

happen during the Recess of the Senate, by granting Commissions which shall expire at the End of their next Session.

SEC. 3. He shall from time to time give to the Congress Information of the State of the Union, and recommend to their Consideration such Measures as he shall judge necessary and expedient; he may, on extraordinary Occasions, convene both Houses, or either of them, and in Case of Disagreement between them, with Respect to the Time of Adjournment, he may adjourn them to such Time as he shall think proper; he shall receive Ambassadors and other public Ministers; he shall take Care that the Laws be faithfully executed, and shall Commission all the Officers of the United States.

SEC. 4. The President, Vice President and all civil Officers of the United States, shall be removed from Office on Impeachment for, and Conviction of, Treason, Bribery, or other high Crimes and Misdemeanors.

Article III

SECTION 1. The judicial Power of the United States, shall be vested in one supreme Court, and in such inferior Courts as the Congress may from time to time ordain and establish. The Judges, both of the supreme and inferior Courts, shall hold their Offices during good Behaviour, and shall, at stated Times, receive for their Services, a Compensation, which shall not be diminished during their Continuance in Office.

SEC. 2. The judicial Power shall extend to all Cases, in Law and Equity, arising under this Constitution, the Laws of the United States, and Treaties made, or which shall be made, under their Authority;—to all Cases affecting Ambassadors, other public Ministers and Consuls;—to all Cases of admiralty and maritime Jurisdiction;—to Controversies to which the United States shall be a Party;—Controversies between two or more States;—between a State and Citizens of another State;—between Citizens of different States;—between Citizens of the same State claiming Lands under Grants of different States, and between a State, or Citizens thereof, and foreign States, Citizens or Subjects.

In all Cases affecting Ambassadors, other public Ministers and Consuls, and those in which a State shall be Party, the supreme Court shall have original Jurisdiction. In all the other Cases before mentioned, the supreme Court shall have appellate Jurisdiction, both as to Law and Fact, with such Exceptions, and under such Regulations as the Congress shall make.

The Trial of all Crimes, except in Cases of Impeachment, shall be by Jury; and such Trial shall be held in the State where the said Crimes shall have been committed; but when not committed within any State, the Trial shall be at such Place or Places as the Congress may by Law have directed.

SEC. 3. Treason against the United States, shall consist only in levying War against them, or in adhering to their Enemies, giving them Aid and Comfort. No person shall be convicted of Treason unless on the Testimony of two Witnesses to the same overt Act, or on Confession in open Court.

The Congress shall have Power to declare the Punishment of Treason, but no Attainder of Treason shall work Corruption of

Blood, of Forfeiture except during the Life of the Person attainted.

Article IV

SECTION 1. Full Faith and Credit shall be given in each State to the public Acts, Records, and judicial Proceedings of every other State. And the Congress may by general Laws prescribe the Manner in which such Acts, Records and Proceedings shall be proved, and the Effect thereof.

SEC. 2. The Citizens of each State shall be entitled to all Privileges and Immunities of Citizens in the several States.

A Person charged in any State with Treason, Felony, or other Crime, who shall flee from Justice, and be found in another State, shall on Demand of the executive Authority of the State from which he fled, be delivered up, to be removed to the State having Jurisdiction of the Crime.

No Person held to Service or Labour in one State, under the Laws thereof, escaping into another, shall, in Consequence of any Law or Regulation therein, be discharged from such Service or Labour, but shall be delivered up on Claim of the Party to whom such Service or Labour may be due.

SEC. 3. New States may be admitted by the Congress into this Union; but no new State shall be formed or erected within the Jurisdiction of any other State; nor any State be formed by the Junction of two or more States, or Parts of States, without the Consent of the Legislatures of the States concerned as well as of the Congress.

The Congress shall have Power to dispose of and make all needful Rules and Regulations respecting the Territory or other Property belonging to the United States; and nothing in this Constitution shall be so construed as to Prejudice any Claims of the United States, or of any particular State.

SEC. 4. The United States shall guarantee to every State in this Union a Republican Form of Government, and shall protect each of them against Invasion; and on Application of the Legislature, or of the Executive (when the Legislature cannot be convened) against domestic Violence.

Article V

The Congress, whenever two thirds of both Houses shall deem it necessary, shall propose Amendments to this Constitution, or, on the Application of the Legislatures of two thirds of the several States, shall call a Convention for proposing Amendments, which, in either Case, shall be valid to all Intents and Purposes, as Part of this Constitution, when ratified by the Legislatures of three fourths of the several States, or by Conventions in three fourths thereof, as the one or the other Mode of Ratification may be proposed by the Congress; Provided that no Amendment which may be made prior to the Year One thousand eight hundred and eight shall in any Manner affect the first and fourth Clauses in the Ninth Section of the first Article; and that no State, without its Consent, shall be deprived of it's equal Suffrage in the Senate.

Article VI

All Debts contracted and Engagements entered into, before the Adoption of this Constitution, shall be as valid against the United States under this Constitution, as under the Confederation.

This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding.

The Senators and Representatives before mentioned, and the Members of the several State Legislatures, and all executive and judicial Officers, both of the United States and of the several States, shall be bound by Oath or Affirmation, to support this Constitution; but no religious Test shall ever be required as a Qualification to any Office or public Trust under the United States.

Article VII

The Ratification of the Conventions of nine States, shall be sufficient for the Establishment of this Constitution between the States so ratifying the Same.

ARTICLES IN ADDITION TO AND AMENDMENT OF THE CONSTITUTION OF THE UNITED STATES OF AMERICA, PROPOSED BY CONGRESS, AND RATIFIED BY THE LEGISLATURES OF THE SEVERAL STATES, PURSUANT TO THE FIFTH ARTICLE OF THE ORIGINAL CONSTITUTION

Article I

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or bridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

Article II

A well regulated Militia, being necessary to the security of a free State, the right of the people to keep and bear Arms, shall not be infringed.

Article III

No Soldier shall, in time of peace be quartered in any house, without the consent of the Owner, nor in time of war, but in a manner to be prescribed by law.

Article IV

The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no Warrants shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

Article V

No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a Grand Jury, except in cases arising in the land or naval forces, or in the Militia, when in actual service in time of War or public danger; nor shall any person be subject for the same offence to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.

Article VI

In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor, and to have the Assistance of Counsel for his defence.

Article VII

In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise re-examined in any Court of the United States, than according to the rules of the common law.

Article VIII

Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted.

Article IX

The enumeration in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people.

Article X

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

Article XI

The Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State.

Article XII

The Electors shall meet in their respective states, and vote by ballot for President and Vice-President, one of whom, at least, shall not be an inhabitant of the same state with themselves; they shall name in their ballots the person voted for as President, and

in distinct ballots the person voted for as Vice-President, and they shall make distinct lists of all persons voted for as President, and of all persons voted for as Vice-President, and of the number of votes for each, which lists they shall sign and certify, and transmit sealed to the seat of the government of the United States, directed to the President of the Senate;—The President of the Senate shall, in the presence of the Senate and House of Representatives, open all the certificates and the votes shall then be counted;—The person having the greatest number of votes for President, shall be the President, if such number be a majority of the whole number of Electors appointed; and if no person have such majority, then from the persons having the highest numbers not exceeding three on the list of those voted for as President, the House of Representatives shall choose immediately, by ballot, the President. But in choosing the President, the votes shall be taken by states, the representation from each state having one vote; a quorum for this purpose shall consist of a member or members from two-thirds of the states, and a majority of all the states shall be necessary to a choice. And if the House of Representatives shall not choose a President whenever the right of choice shall devolve upon them, before the fourth day of March next following, then the Vice-President shall act as President, as in the case of the death or other constitutional disability of the President.—The person having the greatest number of votes as Vice-President, shall be the Vice-President, if such number be a majority of the whole number of Electors appointed, and if no person have a majority, then from the two highest numbers on the list, the Senate shall choose the Vice-President; a quorum for the purpose shall consist of two-thirds of the whole number of Senators, and a majority of the whole number shall be necessary to a choice. But no person constitutionally ineligible to the office of President shall be eligible to that of Vice-President of the United States.

Article XIII

SECTION 1. Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction.

SEC. 2. Congress shall have power to enforce this article by appropriate legislation.

Article XIV

SECTION 1. All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

SEC. 2. Representatives shall be apportioned among the several States according to their respective numbers, counting the whole number of persons in each State, excluding Indians not taxed. But when the right to vote at any election for the choice of elec-

tors for President and Vice-President of the United States, Representatives in Congress, the Executive and Judicial officers of a State, or the members of the Legislature thereof, is denied to any of the male inhabitants of such State, being twenty-one years of age, and citizens of the United States, or in any way abridged, except for participation in rebellion, or other crimes, the basis of representation therein shall be reduced in the proportion which the number of such male citizens shall bear to the whole number of male citizens twenty-one years of age in such State.

SEC. 3. No person shall be a Senator or Representative in Congress, or elector of President and Vice President, or hold any office, civil or military, under the United States, or under any State, who, having previously taken an oath, as a member of Congress, or as an officer of the United States, or as a member of any State legislature, or as an executive or judicial officer of any State, to support the Constitution of the United States, shall have engaged in insurrection or rebellion against the same, or given aid or comfort to the enemies thereof. But Congress may by a vote of two-thirds of each House, remove such disability.

SEC. 4. The validity of the public debt of the United States, authorized by law, including debts incurred for payment of pensions and bounties for services in suppressing insurrection or rebellion, shall not be questioned. But neither the United States nor any State shall assume or pay any debt or obligation incurred in aid of insurrection or rebellion against the United States, or any claim for the loss or emancipation of any slave; but all such debts, obligations and claims shall be held illegal and void.

SEC. 5. The Congress shall have power to enforce, by appropriate legislation, the provisions of this article.

Article XV

SECTION 1. The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude—

SEC. 2. The Congress shall have power to enforce this article by appropriate legislation.—

Article XVI

The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.

Article XVII

The Senate of the United States shall be composed of two Senators from each State, elected by the people thereof, for six years; and each Senator shall have one vote. The electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislatures.

When vacancies happen in the representation of any State in the Senate, the executive authority of such State shall issue writs of election to fill such vacancies: *Provided*, That the legislature of any State may empower the executive thereof to make tempo-

rary appointments until the people fill the vacancies by election as the legislature may direct.

This amendment shall not be so construed as to affect the election or term of any Senator chosen before it becomes valid as part of the Constitution.

Article XVIII

SECTION 1. After one year from the ratification of this article the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited.

SEC. 2. The Congress and the several States shall have concurrent power to enforce this article by appropriate legislation.

SEC. 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of the several States, as provided in the Constitution, within seven years from the date of the submission hereof to the States by the Congress.

Article XIX

The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of sex.

Congress shall have power to enforce this article by appropriate legislation.

Article XX

SECTION 1. The terms of the President and Vice President shall end at noon on the 20th day of January, and the terms of Senators and Representatives at noon on the 3d day of January, of the years in which such terms would have ended if this article had not been ratified; and the terms of their successors shall then begin.

SEC. 2. The Congress shall assemble at least once in every year, and such meeting shall begin at noon on the 3d day of January, unless they shall by law appoint a different day.

SEC. 3. If, at the time fixed for the beginning of the term of the President, the President elect shall have died, the Vice President elect shall become President. If a President shall not have been chosen before the time fixed for the beginning of his term, or if the President elect shall have failed to qualify, then the Vice President elect shall act as President until a President shall have qualified; and the Congress may by law provide for the case wherein neither a President elect nor a Vice President elect shall have qualified, declaring who shall then act as President, or the manner in which one who is to act shall be selected, and such person shall act accordingly until a President or Vice President shall have qualified.

SEC. 4. The Congress may by law provide for the case of the death of any of the persons from whom the House of Representatives may choose a President whenever the right of choice shall have devolved upon them, and for the case of the death of any of the persons from whom the Senate may choose a Vice President whenever the right of choice shall have devolved upon them.

SEC. 5. Sections 1 and 2 shall take effect on the 15th day of October following the ratification of this article.

SEC. 6. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission.

Article XXI

SECTION 1. The eighteenth article of amendment to the Constitution of the United States is hereby repealed.

SEC. 2. The transportation or importation into any State, Territory, or possession of the United States for delivery or use therein of intoxicating liquors, in violation of the laws thereof, is hereby prohibited.

SEC. 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by conventions in the several States, as provided in the Constitution, within seven years from the date of the submission hereof to the States by the Congress.

TITLE 1—GENERAL PROVISIONS

RULES OF CONSTRUCTION

§ 1. Words importing singular number, masculine gender, etc.; extended application.—In determining the meaning of any Act or resolution of Congress, passed subsequent to February 25, 1871, words importing the singular number may extend and be applied to several persons or things; words importing the plural number may include the singular; words importing the masculine gender may be applied to females; the words “insane person” and “lunatic” shall include every idiot, non compos, lunatic, and insane person; the word “person” may extend and be applied to partnerships and corporations, and the reference to any officer shall include any person authorized by law to perform the duties of such office, unless the context shows that such words were intended to be used in a more limited sense; and a requirement of an “oath” shall be deemed complied with by making affirmation in judicial form. (R. S. § 1.)

DERIVATION

Act June 30, 1864, ch. 173, 13 Stat. 258, 287; Act July 13, 1866, ch. 184, 14 Stat. 163; Act July 20, 1868, ch. 186, 15 Stat. 166; Act Feb. 25, 1871, ch. 71, 16 Stat. 431.

§ 2. “County” as including “parish,” etc.—The word “county” includes a parish, or any other equivalent subdivision of a State or Territory of the United States. (R. S. § 2.)

DERIVATION

Act July 13, 1866, ch. 184, 14 Stat. 98, 110.

§ 3. “Vessel” as including all means of water transportation.—The word “vessel” includes every description of water craft or other artificial contrivance used, or capable of being used, as a means of transportation on water. (R. S. § 3.)

DERIVATION

Act July 18, 1866, ch. 201, § 1, 14 Stat. 178; Act June 29, 1870, ch. 169, §7, 16 Stat. 170.

§ 4. "Vehicle" as including all means of land transportation.—The word "vehicle" includes every description of carriage or other artificial contrivance used, or capable of being used, as a means of transportation on land. (R. S. § 4.)

DERIVATION

Act July 18, 1866, ch. 201, 14 Stat. 178.

§ 5. "Company" and "association" as including successors and assigns.—The word "company" or "association," when used in reference to a corporation, shall be deemed to embrace the words "successors and assigns of such company or association," in like manner as if these last-named words, or words of similar import, were expressed. (R. S. § 5.)

DERIVATION

Act July 25, 1866, ch. 242, 14 Stat. 241.

§ 6. Limitation of term "products of American fisheries."—Wherever, in the statutes of the United States or in the rulings, regulations, or interpretations of various administrative bureaus and agencies of the United States there appears or may appear the term "products of American fisheries" said term shall not include fresh or frozen fish fillets, fresh or frozen fish steaks, or fresh or frozen slices of fish substantially free of bone (including any of the foregoing divided into sections), produced in a foreign country or its territorial waters, in whole or in part with the use of the labor of persons who are not residents of the United States. (June 11, 1940, ch. 325, § 1, 54 Stat. 305.)

EFFECTIVE DATE

Section 2 of act June 11, 1940, cited to text, provided that the act should take effect on the day following the date of its enactment.

TITLE 2—THE CONGRESS

LIBRARY OF CONGRESS

§ 148. Transfer to Library of books from executive departments.—The head of any executive department or bureau or any commission of the Government is authorized from time to time to turn over to the Librarian of Congress, for the use of the Library of Congress, any books, maps, or other material in the library of the department, bureau, or commission no longer needed for its use, and in the judgment of the Librarian of Congress appropriate to the uses of the Library of Congress. (Feb. 25, 1903, ch. 755, § 1, 32 Stat. 865.)

TITLE 3—THE PRESIDENT

OFFICE AND COMPENSATION OF PRESIDENT

§ 46. Detail of employees of executive departments to office of President.—Employees of the executive departments and other establishments of the executive branch of the Government may

be detailed from time to time to the office of the President of the United States for such temporary assistance as may be deemed necessary. (Apr. 8, 1940, ch. 107, § 1, 54 Stat. 112.)

This item appears annually in the Independent Offices Appropriation Act.

TITLE 4—FLAG AND SEAL, SEAT OF GOVERNMENT, AND THE STATES

§ 6. Permanent seat of government.—All that part of the territory of the United States included within the present limits of the District of Columbia shall be the permanent seat of government of the United States. (R. S. § 1795.)

DERIVATION

Act July 16, 1790, ch. 28, § 1, 1 Stat. 130.

§ 7. Public offices; at seat of government.—All offices attached to the seat of government shall be exercised in the District of Columbia, and not elsewhere, except as otherwise expressly provided by law. (R. S. § 1796.)

DERIVATION

Act July 16, 1790, ch. 28, § 6, 1 Stat. 130.

§ 8. Same; removal from seat of government.—In case of the prevalence of a contagious or epidemic disease at the seat of government, the President may permit and direct the removal of any or all the public offices to such other place or places as he shall deem most safe and convenient for conducting the public business. (R. S. § 4798.)

DERIVATION

Act Feb. 25, 1799, ch. 12, § 6, 1 Stat. 620.

§ 12. Tax on motor fuel sold on military or other reservation; reports to State taxing authority.—(a) All taxes levied by any State, Territory or the District of Columbia upon, with respect to, or measured by, sales, purchases, storage, or use of gasoline or other motor vehicle fuels may be levied, in the same manner and to the same extent, with respect to such fuels when sold by or through post exchanges, ship stores, ship service stores, commissaries, filling stations, licensed traders, and other similar agencies, located on United States military or other reservations, when such fuels are not for the exclusive use of the United States. Such taxes, so levied, shall be paid to the proper taxing authorities of the State, Territory or the District of Columbia, within whose borders the reservation affected may be located.

(b) The officer in charge of such reservation shall, on or before the fifteenth day of each month, submit a written statement to the proper taxing authorities of the State, Territory or the District of Columbia within whose borders the reservation is located, showing the amount of such motor fuel with respect to which taxes are payable under subsection (a) for the preceding month. (June 16, 1936, ch. 582, § 10, 49 Stat. 1521; Oct. 9, 1940, ch. 787, § 7, 54 Stat. 1060.)

§ 13. State, etc., taxation affecting Federal areas; sales or use tax.—(a) No person shall be relieved from liability for payment of, collection of, or accounting for any sales or use tax levied by any State, or by any duly constituted taxing authority therein, having jurisdiction to levy such a tax, on the ground that the sale or use, with respect to which such tax is levied, occurred in whole or in part within a Federal area; and such State or taxing authority shall have full jurisdiction and power to levy and collect any such tax in any Federal area within such State to the same extent and with the same effect as though such area was not a Federal area.

(b) The provisions of subsection (a) shall be applicable only with respect to sales or purchases made, receipts from sales received, or storage or use occurring, after December 31, 1940. (Oct. 9, 1940, ch. 787, § 1, 54 Stat. 1059.)

§ 14. Same; income tax.—(a) No person shall be relieved from liability for any income tax levied by any State, or by any duly constituted taxing authority therein, having jurisdiction to levy such a tax, by reason of his residing within a Federal area or receiving income from transactions occurring or services performed in such area; and such State or taxing authority shall have full jurisdiction and power to levy and collect such tax in any Federal area within such State to the same extent and with the same effect as though such area was not a Federal area.

(b) The provisions of subsection (a) shall be applicable only with respect to income or receipts received after December 31, 1940. (Oct. 9, 1940, ch. 787, § 2, 54 Stat. 1060.)

CROSS REFERENCE

Compensation of officers and employees of United States, Territories, etc., consent of United States to taxation of, see section 84a of Title 5, Executive Departments and Government Officers and Employees.

§ 15. Same; exception of United States, its instrumentalities, and authorized purchasers therefrom.—(a) The provisions of sections 13 and 14 of this title shall not be deemed to authorize the levy or collection of any tax on or from the United States or any instrumentality thereof, or the levy or collection of any tax with respect to sale, purchase, storage, or use of tangible personal property sold by the United States or any instrumentality thereof to any authorized purchaser.

(b) A person shall be deemed to be an authorized purchaser under this section only with respect to purchases which he is permitted to make from commissaries, ship's stores, or voluntary unincorporated organizations of Army or Navy personnel, under regulations promulgated by the Secretary of War or the Secretary of the Navy. (Oct. 9, 1940, ch. 787, § 3, 54 Stat. 1060.)

§ 16. Same; jurisdiction of United States over Federal areas unaffected.—The provisions of sections 13-18 of this title shall not for the purposes of any other provision of law be deemed to deprive the United States of exclusive jurisdiction over any Federal area over which it would otherwise have exclusive jurisdiction or to limit the jurisdiction of the United States over any Federal area. (Oct. 9, 1940, ch. 787, § 4, 54 Stat. 1060.)

§ 18. Same; definitions.—As used in sections 13-17 of this title—

(a) The term “person” shall have the meaning assigned to it in section 3797 of Title 26.

(b) The term “sales or use tax” means any tax levied on, with respect to, or measured by, sales, receipts from sales, purchases, storage, or use of tangible personal property, except a tax with respect to which the provisions of section 12 of this title are applicable.

(c) The term “income tax” means any tax levied on, with respect to, or measured by, net income, gross income, or gross receipts.

(d) The term “State” includes any Territory or possession of the United States.

(e) The term “Federal area” means any lands or premises held or acquired by or for the use of the United States or any department, establishment, or agency of the United States; and any Federal area, or any part thereof, which is located within the exterior boundaries of any State shall be deemed to be a Federal area located within such State. (Oct. 9, 1940, ch. 787, § 6, 54 Stat. 1060.)

TITLE 5—EXECUTIVE DEPARTMENTS AND GOVERNMENT OFFICERS AND EMPLOYEES

PROVISIONS APPLICABLE TO DEPARTMENTS AND OFFICERS GENERALLY

§ 3. Salaries of heads of executive departments.—The compensation of the heads of executive departments who are members of the President's Cabinet shall be at the rate of \$15,000 per annum each. (R. S. § 160; Feb. 26, 1907, ch. 1635, § 4, 34 Stat. 993; Mar. 4, 1925, ch. 549, §4, 43 Stat. 1301.)

DERIVATION

Act Mar. 3, 1873, ch. 226, § 1, 17 Stat. 486.

§ 4. Vacancies in office of department heads; temporarily filling.—In case of the death, resignation, absence, or sickness of the head of any department, the first or sole assistant thereof shall, unless otherwise directed by the President, as provided by section 6 of this title, perform the duties of such head until a successor is appointed, or such absence or sickness shall cease. (R. S. § 177.)

DERIVATION

Act July 23, 1868, ch. 227, § 1, 15 Stat. 168.

§ 5. Vacancies in subordinate offices.—In case of the death, resignation, absence, or sickness of the chief of any bureau, or of any officer thereof, whose appointment is not vested in the head of the department, the assistant or deputy of such chief or of such officer, or if there be none, then the chief clerk of such bureau, shall, unless otherwise directed by the President, as provided by section 6 of this title, perform the duties of such chief

or of such officer until a successor is appointed or such absence or sickness shall cease. (R. S. § 178.)

DERIVATION

Act July 23, 1868, ch. 227, § 2, 15 Stat. 168.

§ 6. Discretionary authority of President as to vacancies.—In any of the cases mentioned in sections 4 and 5 of this title except the death, resignation, absence, or sickness of the Attorney General, the President may, in his discretion, authorize and direct the head of any other department or any other officer in either department, whose appointment is vested in the President, by and with the advice and consent of the Senate, to perform the duties of the vacant office until a successor is appointed, or the sickness or absence of the incumbent shall cease. (R. S. § 179.)

DERIVATION

Act July 23, 1868, ch. 227, § 3, 15 Stat. 168; act June 22, 1870, ch. 150, § 2, 16 Stat. 162.

§ 7. Temporary appointments to vacancies limited.—A vacancy occasioned by death or resignation must not be temporarily filled under the provisions of sections 4, 5, and 6 of this title for a longer period than thirty days. (R. S. § 180; Feb. 6, 1891, ch. 113, 26 Stat. 733.)

DERIVATION

Act July 23, 1868, ch. 227, § 3, 15 Stat. 168.

§ 8. Restrictions on manner of temporary appointments to fill vacancies.—No temporary appointment, designation, or assignment of one officer to perform the duties of another, in the cases covered by sections 4 and 5 of this title, shall be made otherwise than as provided by those sections, except to fill a vacancy happening during a recess of the Senate. (R. S. § 181.)

DERIVATION

Act July 23, 1868, ch. 227, § 2, 15 Stat. 168.

§ 9. Extra compensation for duties performed while filling vacancies.—An officer performing the duties of another office, during a vacancy, as authorized by sections 4, 5, and 6 of this title, is not by reason thereof entitled to any other compensation than that attached to his proper office. (R. S. § 182.)

DERIVATION

Act July 23, 1868, ch. 227, § 3, 15 Stat. 168.

§ 11. Same; officers under Secretaries of departments.—The commissions of all officers under the direction and control of the Secretary of the Treasury, the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Postmaster General, the Secretary of Commerce, and the Secretary of Agriculture shall be made out and recorded in the respective departments under which they are to serve, and the department seal affixed thereto, any laws to the contrary notwithstanding: *Provided*, That the said seal shall not be affixed to any such commission before the same shall have been signed by the Presi-

dent of the United States. (Mar. 3, 1875, ch. 131, § 14, 18 Stat. 420; Mar. 28, 1896, ch. 73, 29 Stat. 75; Mar. 3, 1905, ch. 1422, 33 Stat. 990; Mar. 4, 1913, ch. 141, § 1, 37 Stat. 736.)

§ 16. Oath of office.—The oath to be taken by any person elected or appointed to any office of honor or profit either in the civil, military, or naval service, except the President of the United States shall be as follows: "I, A B, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God." This section shall not affect the oaths prescribed on May 13, 1884, in relation to the performance of duties in special or particular subordinate offices and employments. (R. S. § 1757; May 13, 1884, ch. 46, §§ 2, 3, 23 Stat. 22.)

DERIVATION

Act July 11, 1868, ch. 139, 15 Stat. 85; act Feb. 15, 1871, ch. 53, 16 Stat. 412.

CODIFICATION

Quoted oath was from R. S. § 1757, while remainder of section was from act May 13, 1884, cited to text.

CROSS REFERENCE

Renewal of oath of office not to be required so long as services of employees are continuous unless, in opinion of department head, the public interest requires it, see sections 17, 17b of this title.

§ 16a. Administration of oaths by officers or employees of the executive departments or independent establishments.—Hereafter any officer or employee of any of the executive departments or independent establishments, including any agency the majority of the stock of which is owned by the Government of the United States, designated in writing by the head thereof for such purpose, is hereby authorized to administer the oath required by section 16 of this title, incident to entrance into the executive branch of the Federal Government, or any other oath required by law in connection with employment therein, such oath to be administered without charge or fee and to have the same force and effect as oaths administered by officers having seals. (June 26, 1943, ch. 145, title II, § 206, 57 Stat. 196.)

§ 17. Same; renewal by Department of Agriculture employees.—Employees of the Department of Agriculture who, upon original appointment, have subscribed to the oath of office required by section 16 of this title shall not be required to renew the said oath because of any change in status so long as their services are continuous, unless, in the opinion of the Secretary of Agriculture the public interests require such renewal. (Jan. 31, 1925, ch. 124, § 3, 43 Stat. 803.)

§ 17b. Same; renewals by employees of executive departments, independent establishments, and District of Columbia.—Civilian employees of the executive departments and independent establishments of the United States and employees of the District of

Columbia who, upon original appointment, have subscribed to the oath of office required by section 16 of this title, shall not be required to renew the said oath because of any change in status so long as their services are continuous in the department or independent establishment in which employed or in the government of the District of Columbia, unless in the opinion of the head of the department or independent establishment or the Commissioners of the District of Columbia the public interests require such renewal. (As amended Nov. 22, 1943, ch. 303, 57 Stat. 591.)

§ 18. Same; who may administer.—The oath of office required by section 16 of this title may be taken before any officer who is authorized either by the laws of the United States or by the local municipal law, to administer oaths, in the State, Territory, or District where such oath may be administered. (R. S. § 1758.)

DERIVATION

Act Aug. 6, 1861, ch. 64, § 2, 12 Stat. 326.

§ 19. Same; chief clerks of departments to administer without compensation.—The chief clerks of the several executive departments and of the various bureaus and offices thereof in Washington, District of Columbia, are authorized and directed, on application and without compensation therefor, to administer oaths of office to employees required to be taken on their appointment or promotion. (Aug. 29, 1890, ch. 820, § 1, 26 Stat. 371.)

§ 20. Same; to employees administered without compensation.—No officer, clerk, or employee of any executive department who is also a notary public or other officer authorized to administer oaths, shall charge or receive any fee or compensation for administering oaths of office to employees of such department required to be taken on appointment or promotion therein. (Aug. 29, 1890, ch. 820, § 1, 26 Stat. 371.)

§ 21. Same; custody of.—The oath of office taken by any person pursuant to the requirements of section 16 of this title, shall be delivered in by him to be preserved among the files of the House of Congress, department, or court to which the office in respect to which the oath is made may appertain. (R. S. § 1759.)

DERIVATION

Act July 2, 1862, ch. 128, 12 Stat. 502.

§ 21a. Affidavit by appointed officers; no consideration paid for appointment.—Each individual appointed after Dec. 11, 1926, as a civil officer of the United States by the President, by and with the advice and consent of the Senate, or by the President alone, or by a court of law, or by the head of a department, shall, within thirty days after the effective date of his appointment, file with the Comptroller General of the United States an affidavit stating that neither he nor anyone acting in his behalf has given, transferred, promised, or paid any consideration for or in the expectation or hope of receiving assistance in securing such appointment. (Dec. 11, 1926, ch. 4, § 1, 44 Stat. 918; Mar. 2, 1927, ch. 284, 44 Stat. 1346.)

§ 21b. Same; failure to make affidavit; penalty.—No salary shall be paid to any individual required under section 21a of this

title to file an affidavit until such affidavit has been filed. (Dec. 11, 1926, ch. 4, § 2, 44 Stat. 919.)

§ 22. Departmental regulations.—The head of each department is authorized to prescribe regulations, not inconsistent with law, for the government of his department, the conduct of its officers and clerks, the distribution and performance of its business, and the custody, use, and preservation of the records, papers, and property appertaining to it. (R. S. § 161.)

DERIVATION

Act July 27, 1789, ch. 4, 1 Stat. 28; act Aug. 7, 1789, ch. 7, 1 Stat. 49; act Sept. 2, 1789, ch. 12, 1 Stat. 65; act Sept. 15, 1789, ch. 14, 1 Stat. 68; act Apr. 30, 1798, ch. 35, 1 Stat. 553; act Mar. 3, 1849, ch. 108, 9 Stat. 395; act June 22, 1870, ch. 150, § 8, 16 Stat. 163; act June 8, 1872, ch. 335, 17 Stat. 283.

§ 23. Supervision of subordinate clerks.—Each chief clerk in the several departments, and bureaus, and other offices connected with the departments, shall supervise, under the direction of his immediate superior, the duties of the other clerks therein, and see that they are faithfully performed. (R. S. § 173.)

DERIVATION

Act Aug. 26, 1842, ch. 202, § 13, 5 Stat. 525.

§ 24. Distribution of duties.—Each chief clerk shall take care, from time to time, that the duties of the other clerks are distributed with equality and uniformity, according to the nature of the case. He shall revise such distribution from time to time, for the purpose of correcting any tendency to undue accumulation or reduction of duties, whether arising from individual negligence or incapacity, or from increase or diminution of particular kinds of business. He shall report monthly to his superior officer any existing defect that he may be aware of in the arrangement or dispatch of business. (R. S. § 174.)

DERIVATION

Act Aug. 26, 1842, ch. 202, § 13, 5 Stat. 525.

§ 25. Duty of chief on receipt of report.—Each head of a department, chief of a bureau, or other superior officer, shall, upon receiving each monthly report of his chief clerk, rendered pursuant to the preceding section, examine the facts stated therein, and take such measures, in the exercise of the powers conferred upon him by law, as may be necessary and proper to amend any existing defects in the arrangement or dispatch of business disclosed by such report. (R. S. § 175.)

DERIVATION

Act Aug. 26, 1842, ch. 202, § 13, 5 Stat. 525.

§ 26a. Saturday half holidays.—On and after March 3, 1931, four hours, exclusive of time for luncheon, shall constitute a day's work on Saturdays throughout the year, with pay or earnings for the day the same as on other days when full time is worked, for all civil employees of the Federal Government and the District of Columbia, exclusive of employees of the Postal Service, employees

of the Panama Canal on the Isthmus, and employees of the Interior Department in the field, whether on the hourly, per diem, per annum, piecework, or other basis: *Provided*, That in all cases where for special public reasons, to be determined by the head of the department or establishment having supervision or control of such employees, the services of such employees cannot be spared, such employees shall be entitled to an equal shortening of the workday on some other day: *Provided further*, That the provisions of this section shall not deprive employees of any leave or holidays with pay to which they may now be entitled under existing laws. (Mar. 3, 1931, ch. 396, 46 Stat. 1482.)

SUSPENSION DURING NATIONAL EMERGENCY

Act May 7, 1943, ch. 93, § 6, 57 Stat. 77, set out as section 1405 of Appendix to Title 50, suspended the provisions of this section until June 30, 1945, or until such earlier time as Congress may prescribe.

Res. Dec. 22, 1942, ch. 798, § 3, 56 Stat. 1068, eff. Dec. 1, 1942, suspended the provisions of this section until April 30, 1943, inclusive, or such earlier date as Congress may prescribe.

CROSS REFERENCES

Determinations and directions by Director of Budget as confirmed, see section 1411 of Appendix to Title 50, War.

Forty-eight hour wartime workweek, see Ex. Ord. No. 9301, set out in note under section 207 of Title 29, Labor.

§ 27. Recording clocks.—No recording clocks for recording time of clerks or other employees in any of the executive departments at Washington, shall be used in any of such departments at Washington. (Feb. 24, 1899, ch. 187, § 1, 30 Stat. 864.)

§ 28. Closing department on decease of ex-official.—The executive departments of the Government shall not be closed as a mark to the memory of any deceased ex-official of the United States. (Mar. 3, 1893, ch. 211, § 4, 27 Stat. 715.)

§ 29. Hours of labor in executive departments.—It shall be the duty of the heads of the several executive departments, in the interest of the public service, to require of all clerks and other employees, of whatever grade or class, in their respective departments, not less than seven hours of labor each day, except Sundays and days declared public holidays by law or Executive order: *Provided*, That the heads of the departments may, by special order, stating the reason, further extend the hours of any clerk or employee in their departments, respectively; but in case of an extension it shall be without additional compensation. (Mar. 3, 1893, ch. 211, § 5, 27 Stat. 715; Mar. 15, 1898, ch. 68 § 7, Stat. 316.)

OVERTIME COMPENSATION FOR ALL CIVILIAN EMPLOYEES OF THE UNITED STATES GOVERNMENT

Res. Dec. 22, 1942, ch. 798, 56 Stat. 1068, effective from Dec. 1, 1942 to April 30, 1943, established overtime rates of compensation for all civilian employees in or under the United States Government, including Government-owned or controlled organizations (except employees in the legislative or judicial branches) and to those employees in the District of Columbia municipal government who occupy positions subject to chapter 13 of this title.

VALIDATION OF PAYMENTS IN EXCESS OF MAXIMUM COMPENSATION

Act Dec. 7, 1944, ch. 520, 58 Stat. 796, provided: "That employees or former employees of the United States who were in the purview of Public Law 821, Seventy-seventh Congress, approved December 22, 1942 [Res. Dec. 22, 1942, ch. 798, 56 Stat. 1068 (set out as a note under this section)], which law was in effect from December 1, 1942, to April 30, 1943, and which limited the overtime compensation of any employee to an amount which "will not cause his aggregate compensation to exceed a rate of \$5,000 per annum," (1) are hereby relieved of liability to repay to the United States any amounts received by them for any pay period which were in excess of the maximum compensation to which they were entitled for such period under the provisions of said Public Law 821 and (2) shall be entitled to refunds of any such amounts that they have repaid to the United States: *Provided*, That in no case shall there be validated aggregate payment to an employee in excess of five-twelfths of \$5,000."

CROSS REFERENCES

Basic note for overtime computation, see note under section 1402 of Appendix to Title 50, War.

Determinations and directions by Director of Budget as confirmed, see section 1411 of Appendix to Title 50, War.

Forty-eight hour wartime workweek, see Ex. Ord. No. 9301, set out in note under section 207 of Title 29, Labor.

§ 29a. Hours of labor; regulations.—Each head of a department or independent establishment shall issue general public regulations, not inconsistent with law, setting forth the hours of duty per day and per week for each group of employees. Before issuing such regulations, which shall be issued within three months from March 14, 1936, the heads of departments and independent establishments shall meet and consult among themselves and make such regulations as nearly uniform as possible so that all employees, temporary or permanent, in all departments and independent establishments shall receive like treatment as nearly as may be practicable: *Provided*, That heads of departments and independent establishments may appoint a subcommittee to draft such regulations. (March 14, 1936, ch. 140, § 2, 49 Stat. 1161.)

EFFECTIVE DATE

This section is made effective January 1, 1936, by the last sentence of section 1 of act March 14, 1936, cited to text.

CROSS REFERENCES

Annual leave to include only work days exclusive of Sundays and holidays, see section 31b of this title.

Exemption of certain corporations under supervision of Farm Credit Administration, see section 640l (c) of Title 12, Banks and Banking.

Forty-eight hour wartime workweek, see Ex. Ord. No. 9301, set out in note under section 207 of Title 29, Labor.

§ 30. Leaves of absence; annual leave; sick leave.—The head of any department may grant thirty days' annual leave with pay in any one year to each clerk or employee, such leave to be exclusive of Sundays and legal holidays. Where some member of the immediate family of a clerk or employee is afflicted with a contagious disease and requires the care and attendance of such employee, or where his or her presence in the department would jeopardize the health of his fellow clerks, and in exceptional and meritorious cases, where a clerk or employee is personally ill, and where to limit the annual leave to thirty days in any one calendar year would

work peculiar hardship, it may be extended, in the discretion of the head of the department, with pay, not exceeding thirty days in any one case or in any one calendar year. This section shall not be construed to prevent the head of any executive department from granting thirty days' annual leave with pay in any one year to a clerk or employee, notwithstanding such clerk or employee may have had during such year not exceeding thirty days' leave with pay on account of sickness. Nor shall it be construed to mean that so long as a clerk or employee is borne upon the rolls of the department in excess of the time herein provided for or granted that he or she shall be entitled to pay during the period of such excessive absence, but that the pay shall stop upon the expiration of the granted leave. (Mar. 3, 1893, ch. 211, § 5, 27 Stat. 715; Mar. 15, 1898, ch. 68, § 7, 30 Stat. 316; July 7, 1898, ch. 571, § 1, 30 Stat. 653; Feb. 24, 1899, ch. 187, § 4, 30 Stat. 890.)

§ 30a. **Same; reduction in time.**—After June 30, 1932, no civilian officer or employee of the Government who receives annual leave with pay shall be granted annual leave of absence with pay in excess of fifteen days in any one year, excluding Sundays and legal holidays: *Provided*, That the part unused in any year may be cumulative for any succeeding year: *Provided further*, That nothing herein shall apply to officers and employees of the Panama Canal and Panama Railroad Company on the Isthmus of Panama, or to officers and employees of the United States (including enlisted personnel) holding official station outside the continental United States or in Alaska: *Provided further*, That nothing herein shall be construed as affecting the period during which pay may be allowed under existing laws for so-called sick leave of absence: *Provided further*, That the so-called sick leave of absence, within the limits now authorized by law, shall be administered under such regulations as the President may prescribe so as to obtain, so far as practicable, uniformity in the various executive departments and independent establishments of the Government. (June 30, 1932, ch. 314, § 215, 47 Stat. 407; Mar. 20, 1933, ch. 3, title II, § 4 (c), 48 Stat. 14.)

§ 30b. **Same; annual leave; accumulation; temporary employees.**—With the exception of teachers and librarians of the public schools of the District of Columbia and officers and employees of the Panama Canal and Panama Railroad on the Isthmus of Panama, and except as provided in section 30l of this title, all civilian officers and employees of the United States wherever stationed and of the government of the District of Columbia, regardless of their tenure, in addition to any accrued leave, shall be entitled to twenty-six days' annual leave with pay each calendar year, exclusive of Sundays and holidays: *Provided*, That the part unused in any year shall be accumulated for succeeding years until it totals not exceeding sixty days: *Provided further*, That during the national emergency declared by the President of the United States on September 8, 1939, the leave unused by the employees of the departments, independent establishments, and agencies, not in other form commuted or compensated, shall be accumulated for succeeding years until it totals not exceeding ninety days: *And provided further*, That when the unused leave accumulated equals

or exceeds sixty days in the aggregate, not more than fifteen days of unused leave may be further accumulated in any one calendar year. Sections 29a, 30b-30e, 30l and 31a of this title shall not affect any sick leave to which employees are now or may hereafter be entitled. Temporary employees, except temporary employees engaged on construction work at hourly rates, shall be entitled to two and one-half days leave for each month of service. The annual leave herein authorized shall be granted at such times as the heads of the various departments and independent establishments may prescribe. (As amended Dec. 17, 1942, ch. 737, 56 Stat. 1052.)

AMENDMENTS

1942—Act. Dec. 17, 1942, cited to text, added second and third provisos to first sentence.

CROSS REFERENCES

Annual leave to include only work days exclusive of Sundays and holidays, see section 31b of this title.

Department of Agriculture outside Washington, leave of absence of employees of, see section 534 of this title.

Exemption of certain corporations under supervision of Farm Credit Administration, see section 640l (c) of Title 12, Banks and Banking.

§ 30c. Same; employees outside continental United States; leave differential.—Nothing in sections 29a, 30b-30e, 30l and 31a of this title shall be construed to prevent the continuance of any existing leave differential now obtaining for the benefit of employees of the Federal Government stationed outside the continental limits of the United States. (Mar. 14, 1936, ch. 140, § 5, 49 Stat. 1161.)

EFFECTIVE DATE

This section is made effective January 1, 1936, by the last sentence of section 1 of act March 14, 1936, cited to text.

§ 30d. Same; employees of corporations controlled by Government.—The employees of any corporation created under authority of an Act of Congress which is either wholly controlled or wholly owned by the United States Government, whether or not the employees thereof are paid from funds appropriated by Congress, shall be included within the provisions of sections 29a, 30b-30e, 30l, and 31a of this title. (Mar. 14, 1936, ch. 140, § 6, 49 Stat. 1161.)

EFFECTIVE DATE

This section is made effective January 1, 1936, by the last sentence of section 1 of act March 14, 1936, cited to text.

CROSS REFERENCE

Exemption of certain corporations under supervision of Farm Credit Administration, see section 640l (c) of Title 12, Banks and Banking.

§ 30e. Same; regulations by President.—The leave of absence provided for in sections 29a, 30b-30e, 30l and 31a of this title shall be administered under such regulations as the President may prescribe, so as to obtain, so far as practicable, uniformity in the application of said sections. (Mar. 14, 1936, ch. 140, § 7, 49 Stat. 1162.)

EFFECTIVE DATE

This section is made effective January 1, 1936, by the last sentence of section 1 of act March 14, 1936, cited to text.

EXECUTIVE ORDERS

Regulations of the President relating to the granting of annual leaves of absence to government employees, issued pursuant to this section are contained in Ex. Ord. No. 8384, Mar. 29, 1940, 5 F. R. 1253, as amended by Ex. Ord. No. 9307, Mar. 3, 1943, 8 F. R. 2697; Ex. Ord. No. 9371, Aug. 24, 1943, 8 F. R. 11887.

§ 30f. Same; sick leave.—After January 1, 1936, except as provided in section 30m of this title, all civilian officers and employees of the United States wherever stationed and of the government of the District of Columbia, other than teachers and librarians of the public schools of the District of Columbia and officers and members but not the civilian personnel of the police and fire departments of the District of Columbia and other than officers and employees of the Panama Canal and Panama Railroad on the Isthmus of Panama, shall be entitled to sick leave with pay regardless of their tenure, as described in sections 30f-30k and 30m of this title. (Mar. 14, 1936, ch. 141, § 1, 49 Stat. 1162.)

CROSS REFERENCES

Exemption of certain corporations under supervision of Farm Credit Administration, see section 640l (c) of Title 12, Banks and Banking.

Sick leave as including only work days exclusive of Sundays and holidays, see section 31b of this title.

§ 30g. Same; cumulation of sick leave.—On and after January 1, 1936, cumulative sick leave with pay, at the rate of one and one-quarter days per month, shall be granted to all civilian officers and employees, the total accumulation not to exceed ninety days. Temporary employees, except temporary employees engaged on construction work at hourly rates, shall be entitled to one and one-quarter days sick leave for each month of service: *Provided*, That all such employees shall furnish certificates satisfactory to the head of the appropriate department or independent establishment. (Mar. 14, 1936, ch. 141, § 2, 49 Stat. 1162.)

CROSS REFERENCES

Department of Agriculture outside Washington, leave of absence of employees of, see section 534 of this title.

Exemption of certain corporations under supervision of Farm Credit Administration, see section 640l (c) of Title 12, Banks and Banking.

Sick leave as including only work days exclusive of Sundays and holidays, see section 31b of this title.

§ 30h. Same; advancement of sick leave.—Administrative officers may advance thirty days sick leave with pay beyond accrued sick leave in cases of serious disability or ailments and when required by the exigencies of the situation. (Mar. 14, 1936, ch. 141, § 3, 49 Stat. 1162.)

CROSS REFERENCES

Department of Agriculture outside Washington, leave of absence of employees of, see section 534 of this title.

Exemption of certain corporations under supervision of Farm Credit Administration, see section 640l (c) of Title 12, Banks and Banking.

Sick leave as including only work days exclusive of Sundays and holidays, see section 31b of this title.

§ 30i. Same; employees outside continental United States; leave differential.—Nothing in sections 30f-30k and 30m of this title shall be construed to prevent the continuance of any existing leave differential now obtaining for the benefit of employees of the Federal Government stationed outside of the continental limits of the United States. (Mar. 14, 1936, ch. 141, § 5, 49 Stat. 1162.)

CROSS REFERENCES

Exemption of certain corporations under supervision of Farm Credit Administration, see section 640l (c) of Title 12, Banks and Banking.

Sick leave as including only work days exclusive of Sundays and holidays, see section 31b of this title.

§ 30j. Same; employees of corporation controlled by Government.—The employees of any corporation created under authority of an Act of Congress which is either wholly controlled or wholly owned by the United States Government, whether or not the employees thereof are paid from funds appropriated by Congress, shall be included within the provisions of sections 30f-30k and 30m of this title. (Mar. 14, 1936, ch. 141, § 6, 49 Stat. 1162.)

CROSS REFERENCES

Exemption of certain corporations under supervision of Farm Credit Administration, see section 640l (c) of Title 12, Banks and Banking.

Sick leave as including only work days exclusive of Sundays and holidays, see section 31b of this title.

§ 30k. Same; regulations by President.—The leave of absence provided for in sections 30f-30k and 30m of this title shall be administered under such regulations as the President may prescribe, so as to obtain, so far as practicable, uniformity in the application of said sections. (Mar. 14, 1936, ch. 141, § 7, 49 Stat. 1162.)

REGULATIONS

By Executive Orders Nos. 7845, 7846, promulgated March 21, 1938, the President prescribed regulations for annual leaves and sick leaves of government employees. 3 Fed. Reg. 715, 717. These Executive orders were amended by Executive Orders Nos. 7879, 7880, respectively, promulgated May 9, 1938, 3 Fed. Reg. 1075.

§ 30n. Absence for jury service; diminution of compensation.—The compensation of any employee of the United States or of the District of Columbia who may be called upon for jury service in any State court or court of the United States shall not be diminished during the term of such jury service by reason of such absence, except as provided in section 30p of this title, nor shall such period of service be deducted from the time allowed for any leave of absence authorized by law. (June 29, 1940, ch. 446, § 1, 54 Stat. 689.)

CROSS REFERENCE

Witnesses, expenses of officers of United States serving as, see section 604 of Title 28, Judicial Code and Judiciary.

§ 30n-1. Absence as witness in certain cases; loss of salary.—From and after the passage of this section employees of the Government of the United States in active service who are called upon to serve as witnesses on behalf of the District of Columbia

in any court proceeding in which the government of the District of Columbia may be a party and employees of the government of the District of Columbia who are called upon to serve as witnesses on behalf of the United States or the District of Columbia in any court proceeding in which the Government of the United States or the government of the District of Columbia may be a party, shall not be paid witness fees for such service, but the period of such service shall be without loss of salary or compensation and shall not be deducted from any leave of absence with pay authorized by law. (Oct. 14, 1941, ch. 436, 55 Stat. 737.)

§ 30o. Same; jury service in United States courts.—Any employee specified in section 30n of this title who may be called upon for jury service in any court of the United States shall not receive any compensation for such service. (June 29, 1940, ch. 446, § 2, 54 Stat. 689.)

§ 30p. Same; credit of compensation received for jury service against compensation payable by United States.—There shall be credited against the amount of compensation payable by the United States to any employee specified in section 30n of this title for such period as such employee may be absent on account of jury service in the court of any State any amounts which such employee may receive from such State on account of such jury service. (June 29, 1940, ch. 446, § 3, 54 Stat. 689.)

§ 31. Monthly reports as to condition of business; extension of hours of service of employees.—It shall be the duty of the head of each executive department to require monthly reports to be made to him as to the condition of the public business in the several bureaus or offices of his department at Washington; and in each case where such reports disclose that the public business is in arrears, the head of the department in which such arrears exist shall require, as provided in section 29 of this title, an extension of the hours of service to such clerks or employees as may be necessary to bring up such arrears of public business. (Mar. 15, 1898, ch. 68, § 7, 30 Stat. 316.)

§ 31b. Annual leave and sick leave as including only work days.—The days of annual leave with pay provided for in sections 29a, 30b-30e, 30l, 31a of this title, and the days of sick leave with pay provided for in sections 30f-30k, 30m of this title, shall mean days upon which employees would otherwise work and receive pay, and shall be exclusive of Sundays which do not occur within a regular tour of duty, holidays, and all nonwork days established by Federal statute or by Executive or administrative order. (Mar. 2, 1940, ch. 33, 54 Stat. 38.)

§ 32. Quarterly reports as to condition of business.—It shall be the duty of the head of each executive department, or other Government establishment at the seat of government, not under an executive department, to make at the expiration of each quarter of the fiscal year a written report to the President as to the condition of the public business in his executive department or Government establishment, and whether any branch thereof is in arrears. (Mar. 15, 1898, ch. 68, § 7, 30 Stat. 316.)

§ 33. Women clerks.—Women may, in the discretion of the head of any department, be appointed to any of the clerkships therein authorized by law, upon the same requisites and conditions, and with the same compensations, as are prescribed for men. (R. S. § 165.)

DERIVATION

Act July 12, 1870, ch. 251, § 2, 16 Stat. 250.

§ 35. Preference in appointments to honorably discharged soldiers, sailors, and marines, and widows and wives thereof.—Persons honorably discharged from the military or naval service by reason of disability resulting from wounds or sickness incurred in the line of duty, shall be preferred for appointments to civil offices, provided they are found to possess the business capacity necessary for the proper discharge of the duties of such offices. In making appointments to clerical and other positions in the executive branch of the Government in the District of Columbia or elsewhere preference shall be given to honorably discharged soldiers, sailors, and marines, and widows of such and to the wives of injured soldiers, sailors, and marines who themselves are not qualified, but whose wives are qualified to hold such positions. (R. S. § 1754; July 11, 1919, ch. 6, § 1, 41 Stat. 37; June 18, 1929, ch. 28, §§ 3, 21, 46 Stat. 21, 26.)

DERIVATION

Resolution, Mar. 3, 1865, No. 27, § 1, 13 Stat. 571.

CODIFICATION

First sentence is based upon R. S. § 1754; second sentence is from act March 3, 1919, cited to text, as amended by act July 11, 1919, cited to text, and repealed by act June 18, 1929, § 21, cited to text; third sentence is from act June 18, 1929, cited to text.

§ 35a. Preference in appointments; spouse of married employee.—In the appointment of persons to the classified civil service, preference shall be given to persons other than married persons living with husband or wife, such husband or wife being in the service of the United States or the District of Columbia. (June 30, 1932, ch. 314, § 213, 47 Stat. 406.)

CROSS REFERENCE

Marital status as ground for discrimination in civil service, see section 633 (2), paragraph 6, of this title.

§ 36. Employment of wives of soldiers and sailors.—The wife of a soldier or sailor who served in the World War shall not be disqualified for any position or appointment under the Government because she is a married woman. (Aug. 31, 1918, ch. 166, § 5, 40 Stat. 956.)

§ 37. Diminution of number of clerks.—In making any reduction of force in any of the executive departments, the head of such department shall retain those persons who may be equally qualified who have been honorably discharged from the military or naval service of the United States, and the widows and orphans of deceased soldiers and sailors. (Aug. 15, 1876, ch. 287, § 3, 19 Stat. 169.)

§ 37a. Personnel reductions; married persons.—In any reduction of personnel in any branch or service of the United States Government or the District of Columbia, married persons (living with husband or wife) employed in the class to be reduced, shall be dismissed before any other persons employed in such class are dismissed, if such husband or wife is also in the service of the United States or the District of Columbia. (June 30, 1932, ch. 314, § 213, 47 Stat. 406.)

CROSS REFERENCE

Persons not to be discriminated against in classified civil service because of marital status, see section 633 (2), paragraph (6) of this title.

§ 38. Details of officers, employees, or clerks within department.—Each head of a department may, from time to time, alter the distribution among the various bureaus and offices of his department, of the clerks and other employees allowed by law, except such clerks or employees as may be required by law to be exclusively engaged upon some specific work, as he may find it necessary and proper to do, but all details hereunder shall be made by written order of the head of the department, and in no case be for a period of time exceeding one hundred and twenty days. Details so made may, on expiration, be renewed from time to time by written order of the head of the department, in each particular case, for periods of not exceeding one hundred and twenty days. (R. S. § 166; May 28, 1896, ch. 252, § 3, 29 Stat. 179.)

DERIVATION

Act Mar. 3, 1853, ch. 97, § 3, 10 Stat. 211.

§ 39. Same; outside District for duty within District.—It shall be unlawful to detail civil officers, clerks, or other subordinate employees who are authorized or employed under or paid from appropriations made for the Military or Naval Establishments, or any other branch of the public service outside of the District of Columbia, except those officers and employees whose details are specially provided by law, for duty in any bureau, office, or other division of any executive department in the District of Columbia, except temporary details for duty connected with their respective offices. (Aug. 5, 1882, ch. 389, § 4, 22 Stat. 255; June 22, 1906, ch. 3514, § 6, 34 Stat. 449.)

§43. Employment of clerks and other employees; authority; place of service; delegation of authority to employ.—There is authorized to be employed in each executive department, independent establishment, and the municipal government of the District of Columbia, for services in the District of Columbia or elsewhere, such number of employees of the various classes recognized by sections 661-663, 664-673, and 674 of this title, as may be appropriated for by Congress from year to year: *Provided*, That the head of any department or independent establishment may delegate to subordinates, under such regulations as he may prescribe, the power to employ such persons for duty in the field services of his department or establishment. (R. S. § 169; June 26, 1930, ch. 618, 46 Stat. 817.)

DERIVATION

Act Apr. 22, 1854, ch. 52, § 1, 10 Stat. 276.

§ 44. Disbursing clerks.—The disbursing clerks authorized by law in the several departments shall be appointed by the heads of the respective departments; and shall each give a bond to the United States for the faithful discharge of the duties of his office according to law in such amount as shall be directed by the Secretary of the Treasury, and with sureties to the satisfaction of the General Counsel for the Department of the Treasury; and shall from time to time renew, strengthen, and increase his official bond, as the Secretary of the Treasury may direct. Each disbursing clerk, except the disbursing clerk of the Treasury Department, must, when directed so to do by the head of the Department, superintend the building occupied by his Department. (R. S. § 176; May 10, 1934, ch. 277, § 512 (b), 48 Stat. 759.)

DERIVATION

Act Mar. 3, 1853, ch. 97, § 3, 10 Stat. 209, 211; act Mar. 3, 1855, ch. 175, § 4, 10 Stat. 669; act Mar. 3, 1873, ch. 226, § 1, 17 Stat. 485, 492.

TRANSFER OF FUNCTIONS

The function of disbursement of moneys of the United States exercised by any agency except War Department, Navy Department, and Panama Canal was transferred to the Treasury Department and together with the Office of Disbursing Clerk of that Department, was consolidated in a Division of Disbursement at the head of which is a Chief Disbursing Officer. See Executive Order No. 6166, § 4, and Executive Order No. 6728 set out in note to section 132 of this title.

Division of Disbursement and certain other offices and agencies and their functions were consolidated into Fiscal Service of Treasury Department by Reorganization Plan No. III, § 1 (a), effective June 30, 1940, set out in note under section 133t of this title.

§ 45. Officers, clerks, and employees.—No civil officer, clerk, agent, draughtsman, copyist, messenger, assistant messenger, mechanic, engineer, watchman, laborer, or other employee shall be employed in any of the executive departments, or subordinate bureaus or offices thereof at the seat of government, except as otherwise provided. (Aug. 15, 1876, ch. 287, § 5, 19 Stat. 169; Aug. 5, 1882, ch. 389, § 4, 22 Stat. 255.)

§ 46. Payment for services from appropriations for contingent expenses or for specific or general purposes.—No civil officer, clerk, draughtsman, copyist, messenger, assistant messenger, mechanic, watchman, laborer, or other employee shall be employed at the seat of government in any executive department or subordinate bureau or office thereof or be paid from any appropriation made for contingent expenses, or for any specific or general purpose, unless such employment is authorized and payment therefor specifically provided in the law granting the appropriation, and then only for services actually rendered in connection with and for the purposes of the appropriation from which payment is made, and at the rate of compensation usual and proper for such services. (Aug. 5, 1882, ch. 389, § 4, 22 Stat. 255.)

§ 46a. Removal of employees for cause; withholding pay.—From and after February 24, 1931, there shall be no withholding or confiscation of the earned pay, salary, or emolument of any

civil employee of the United States removed for cause: *Provided*, That if at the time of such removal any such employee is indebted to the United States any salary, pay, or emolument accruing to such employee coming within the provisions of this section shall be applied in whole or in part to the satisfaction of any claim or indebtedness due to the United States. (Feb. 24, 1931, ch. 287, 46 Stat. 1415.)

§ 46b. Credit disallowed for payment; withholding compensation.—After May 26, 1936, whenever upon the statement of the account of any disbursing officer of the United States in the General Accounting Office credit shall have been disallowed for any payment to any person in the executive branch of the Government, otherwise entitled to compensation from the United States or from any agency or instrumentality thereof, such compensation of the payee may be withheld until full reimbursement has been accomplished under such regulations as may be prescribed by the head of the department, branch, or independent establishment (including corporations) under which such payee is entitled to receive compensation: *Provided*, That nothing contained in this section shall be construed to repeal or in any way modify laws existing on May 26, 1936, relating to the collection of the indebtedness of accountable or disbursing officers. (May 26, 1936, ch. 452, 49 Stat. 1374.)

§ 47. Penalty for violations of sections 45 and 46 of this title.—Any person violating the provisions of sections 45 and 46 of this title shall be summarily removed from office, and may also upon conviction thereof be punished by a fine of not more than \$1,000 or by imprisonment for not more than one year. (Aug. 23, 1912, ch. 350, § 5, 37 Stat. 414.)

CROSS REFERENCE

Removals from classified civil service only for cause, see section 652 of this title.

§ 47a. Retirement of Federal personnel; uniform date; classes affected; computation of retired pay or allowances.—Retirement authorized by law of Federal personnel of whatever class, civil, military, naval, judicial, legislative, or otherwise, and for whatever cause retired, shall take effect on the first day of the month following the month in which said retirement would otherwise be effective, and said first day of the month for retirements made after July 1, 1930, shall be for all purposes in lieu of such date for retirement as was on April 23, 1930, authorized; except that the rate of active or retired pay or allowance shall be computed as of the date retirement would have occurred if this section had not been enacted. (Apr. 23, 1930, ch. 209, § 1, 46 Stat. 253.)

EFFECTIVE DATE AND REPEAL

Section 2 of act April 23, 1930, cited to text, provided as follows: "This Act shall become effective July 1, 1930. All laws or parts of laws, insofar as in conflict herewith, are repealed."

§ 48. Legal assistance in examination of witnesses.—Whenever any head of a department or bureau having made application pursuant to section 94 of this title, for a subpoena to procure the

attendance of a witness to be examined, is of opinion that the interests of the United States require the attendance of counsel at the examination, or require legal investigation of any claim pending in his department or bureau, he shall give notice thereof to the Attorney General and of all facts necessary to enable the Attorney General to furnish proper professional service in attending such examination, or making such investigation, and it shall be the duty of the Attorney General to provide for such service. (R. S. § 187.)

DERIVATION

Act Feb. 14, 1871, ch. 51, § 3, 16 Stat. 412.

§ 49. Employment of attorneys or counsel.—No head of a department shall employ attorneys or counsel at the expense of the United States; but when in need of counsel or advice, shall call upon the Department of Justice, the officers of which shall attend to the same. (R. S. § 189.)

DERIVATION

Act June 22, 1870, ch. 150, 16 Stat. 164.

§ 50. Disposition of moneys accruing from lapsed salaries or unused appropriations for salaries.—All moneys accruing from lapsed salaries, or from unused appropriations for salaries, shall be covered into the Treasury. Any person violating the provisions of this section shall be summarily removed from office, and may also upon conviction thereof be punished by a fine of not more than \$1,000 or by imprisonment for not more than one year. (Aug. 5, 1882, ch. 389, § 4, 22 Stat. 255; Aug. 23, 1912, ch. 350, § 5, 37 Stat. 414.)

CROSS REFERENCES

Removals from classified civil service only for cause, see section 652 of this title.

§ 51. Extra compensation to clerks.—No money shall be paid to any clerk employed in any department at an annual salary, as compensation for extra services, unless expressly authorized by law. (R. S. § 170.)

DERIVATION

Act Mar. 3, 1853, ch. 97, § 3, 10 Stat. 211; act June 17, 1844, ch. 105, § 1, 5 Stat. 687; Resolution Feb. 28, 1867, No. 30, § 2, 14 Stat. 569.

§ 52. Unauthorized office, no salary for.—No money shall be paid from the Treasury to any person acting or assuming to act as an officer, civil, military, or naval, as salary, in any office when the office is not authorized by some previously existing law, unless such office is subsequently sanctioned by law. (R. S. § 1760.)

DERIVATION

Act Feb. 9, 1863, ch. 25, § 2, 12 Stat. 646.

§ 53. Detective agency employees not to be employed.—No employee of the Pinkerton Detective Agency, or similar agency, shall be employed in any Government service or by any officer of the District of Columbia. (Mar. 3, 1893, ch. 208, 27 Stat. 591.)

§ 54. Publicity experts not to be employed without specific appropriation.—No money appropriated by any act shall be used for

the compensation of any publicity expert unless specifically appropriated for that purpose. (Oct. 22, 1913, ch. 32, § 1, 38 Stat. 212.)

§ 55. Experts; compensated without specific provision for.—Except as otherwise provided in section 53 of Title 31, no part of any money appropriated in any Act shall be used for compensation or payment of expenses of accountants or other experts inaugurating new or changing old methods of transacting the business of the United States or the District of Columbia, unless authority for employment of such services or payment of such expenses is stated in specific terms in the Act making provision therefor and the rate of compensation for such services or expenses is specifically fixed therein, or be used for compensation of or expenses for persons, aiding or assisting such accountants or other experts, unless the rate of compensation of or expenses for such assistants is fixed by officers or employees of the United States or District of Columbia having authority to do so, and such rates of compensation or expenses so fixed shall be paid only to the person so employed. (Apr. 6, 1914, ch. 52, § 5, 38 Stat. 335.)

§ 56. Salaries to certain recess appointees.—No money shall be paid from the Treasury, as salary, to any person appointed during the recess of the Senate, to fill a vacancy in any existing office, if the vacancy existed while the Senate was in session and was by law required to be filled by and with the advice and consent of the Senate, until such appointee has been confirmed by the Senate. The provisions of this section shall not apply (a) if the vacancy arose within thirty days prior to the termination of the session of the Senate; or (b) if, at the time of the termination of the session of the Senate, a nomination for such office, other than the nomination of a person appointed during the preceding recess of the Senate, was pending before the Senate for its advice and consent; or (c) if a nomination for such office was rejected by the Senate within thirty days prior to the termination of the session and a person other than the one whose nomination was rejected thereafter receives a recess commission: *Provided*, That a nomination to fill such vacancy under (a), (b), or (c) hereof, shall be submitted to the Senate not later than forty days after the commencement of the next succeeding session of the Senate. (R. S. § 1761; June 7, 1924, ch. 377, 43 Stat. 669; July 11, 1940, ch. 580, 54 Stat. 751.)

DERIVATION

Act Feb. 9, 1863, ch. 25, § 2, 12 Stat. 646.

AMENDMENTS

Act July 11, 1940, cited to text, omitted provision covering appointment of original members of Board of Tax Appeals and added last sentence of section.

§ 57. Apportionment of compensation.—Collectors and all other officers of the customs, serving for a less period than a year, shall not be paid for the entire year, but shall be allowed in no case a greater than a pro rata of the maximum compensation of such officers respectively for the time only which they actually serve as such collectors or officers, whether the same be under one or more appointments, or before or after confirmation. And no col-

lector or other officer shall, in any case, receive for his services, either as fees, salary, fines, penalties, forfeitures, or otherwise, for the time he may be in service, beyond the maximum pro rata rate, provided by law. This section shall be applied and enforced in regard to all officers, agents, and employees of the United States whomsoever, as well ¹ those whose compensation is determined by a commission on disbursements, not to exceed an annual maximum, as those paid by salary or otherwise. (R. S. § 2687.)

DERIVATION

Act Feb. 11, 1846, ch. 7, § 1, 9 Stat. 3; act July 18, 1866, ch. 201, § 34, 14 Stat. 186.

§ 58. Double salaries.—Unless otherwise specifically authorized by law, no money appropriated by any act shall be available for payment to any person receiving more than one salary when the combined amount of said salaries exceeds the sum of \$2,000 per annum. (May 10, 1916, ch. 117, § 6, 39 Stat. 120; Aug. 29, 1916, ch. 417, 39 Stat. 582.)

§ 59. Same; exceptions; retired officers and enlisted men of Army, Navy, Marine Corps, or Coast Guard, or officers and enlisted men of militia.—Section 58 of this title shall not apply to retired officers or enlisted men of the Army, Navy, Marine Corps, or Coast Guard, or to officers and enlisted men of the Organized Militia and Naval Militia in the several States, Territories, and the District of Columbia. (May 10, 1916, ch. 117, § 6, 39 Stat. 120; Aug. 29, 1916, ch. 417, 39 Stat. 582.)

§ 59a. Same; limitation of amount of retired pay as commissioned officer in Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service.—(a) After June 30, 1932, no person holding a civilian office or position, appointive or elective, under the United States Government or the municipal government of the District of Columbia or under any corporation, the majority of the stock of which is owned by the United States, shall be entitled, during the period of such incumbency, to retired pay from the United States for or on account of services as a commissioned officer in any of the services mentioned in Title 37, at a rate in excess of an amount which when combined with the annual rate of compensation from such civilian office or position, makes the total rate from both sources more than \$3,000; and when the retired pay amounts to or exceeds the rate of \$3,000 per annum such person shall be entitled to the pay of the civilian office or position or the retired pay, whichever he may elect. As used in this section, the term "retired pay" shall be construed to include credits for all service that lawfully may enter into the computation thereof.

(b) This section shall not apply to any person whose retired pay, plus civilian pay, amounts to less than \$3,000: *Provided*, That this section shall not apply to regular or emergency commissioned officers retired for disability incurred in combat with an enemy of the United States or for disabilities resulting from an explosion of an instrumentality of war in line of duty during an enlistment or employment as provided in Veterans Regulation Numbered

¹ So in original. Probably should insert "as."

1 (a), part I, paragraph I. (June 30, 1932, ch. 314, § 212, 47 Stat. 406; July 15, 1940, ch. 626, § 3, 54 Stat. 761.)

§ 61a. Pay or credit for accumulated leave of employees ordered to active military or naval duty.—Employees of the United States Government, its Territories or possessions, or the District of Columbia (including employees of any corporation created under authority of an Act of Congress which is either wholly controlled or wholly owned by the United States Government, or any corporation, all the stock of which is owned or controlled by the United States Government, or any department, agency, or establishment thereof, whether or not the employees thereof are paid from funds appropriated by Congress), who, subsequent to May 1, 1940, shall have entered upon active military or naval service in the land or naval forces of the United States by voluntary enlistment or otherwise, shall be entitled to receive, in addition to their military pay, compensation in their civilian positions covering their accumulated or current accrued leave, or to elect to have such leave remain to their credit until their return from active military or naval service. (Aug. 1, 1941, ch. 348, 55 Stat. 616, as amended Apr. 7, 1942, ch. 220, 56 Stat. 200.)

AMENDMENTS

1942—Act April 7, 1942, cited to text, amended section in its entirety.

§ 61b. Lump sum payments for accumulated or accrued annual leave upon separation from service; amount; reemployment in service; payment as salary.—Whenever any civilian officer or employee of the Federal Government or the government of the District of Columbia is separated from the service or elects to be paid compensation for leave in accordance with section 61a of this title or section 1474 of Appendix to Title 50, of June 23, 1943, he shall be paid compensation in a lump sum for all accumulated and current accrued annual or vacation leave to which he is entitled under existing law. Such lump-sum payment shall equal the compensation that such employee would have received had he remained in the service until the expiration of the period of such annual or vacation leave: *Provided*, That if such employee is reemployed in the Federal service or in or under the government of the District of Columbia under the same leave system prior to the expiration of the period covered by such leave payment, he shall refund to the employing agency an amount equal to the compensation covering the period between the date of reemployment and the expiration of such leave period, and the amount of leave represented by such refund shall be credited to him in the employing agency. In the case of reemployment in the Federal service the sum so refunded shall be covered into the Treasury as "Miscellaneous Receipts," and in case of reemployment in or under the government of the District of Columbia the sum so refunded shall be covered into the Treasury to the credit of the District of Columbia: *Provided further*, That the lump-sum payment herein authorized shall not be regarded, except for purposes of taxation, as salary or compensation and shall not be subject to retirement deductions. (Dec. 21, 1944, ch. 632, § 1, 58 Stat. 845.)

§ 61c. Lump sum payments for accumulated or accrued annual leave upon death; order of precedence for payment.—Upon the death of any civilian officer or employee of the Federal Government, or the government of the District of Columbia, compensation for all of his accumulated and current accrued annual or vacation leave in a lump sum equal to the compensation that such employee would have received had he remained in the service until the expiration of the period of such annual or vacation leave shall be paid, upon the establishment of a valid claim therefor, in the following order of precedence:

First, to the beneficiary or beneficiaries, if any, lawfully designated by the employee under the retirement Act applicable to his service;

Second, if there be no such designated beneficiary, to the estate of such deceased employee. (Dec. 21, 1944, ch. 632, § 2, 58 Stat. 845.)

§ 61d. Lump sum payment for accumulated or accrued annual leave upon transfer to agencies operating under different leave systems; amount; payment as compensation.—All accumulated and current accrued leave shall be liquidated by a lump-sum payment to any civilian officer or employee of the Federal Government or the government of the District of Columbia in cases involving transfer to agencies under different leave systems. Such lump-sum payment shall equal the compensation that such employee would have received had he not been transferred until the expiration of the period of such leave: *Provided*, That the lump-sum payment herein authorized shall not be regarded, except for purposes of taxation, as salary or compensation and shall not be subject to retirement deductions. (Dec. 21, 1944, ch. 632, § 3, 58 Stat. 846.)

§ 62. Holding other lucrative office.—No person who holds an office the salary or annual compensation attached to which amounts to the sum of two thousand five hundred dollars shall be appointed to or hold any other office to which compensation is attached unless specially authorized thereto by law; but this shall not apply to retired officers of the Army, Navy, Marine Corps, or Coast Guard whenever they may be elected to public office or whenever the President shall appoint them to office by and with the advice and consent of the Senate. Retired enlisted men of the Army, Navy, Marine Corps, or Coast Guard retired for any cause, and retired officers of the Army, Navy, Marine Corps, or Coast Guard who have been retired for injuries received in battle or for injuries or incapacity incurred in line of duty shall not, within the meaning of this section, be construed to hold or to have held an office during such retirement. (July 31, 1894, ch. 174, § 2, 28 Stat. 205; May 31, 1924, ch. 214, 43 Stat. 245; July 30, 1937, ch. 545, § 6, 50 Stat. 549; June 25, 1938, ch. 694, 52 Stat. 1194.)

CODIFICATION

This section constitutes the second sentence of section 2 of the act of July 31, 1894, cited to text, as amended by the act of May 31, 1924, cited to text, which added the second sentence of this section.

§ 66. Receiving salary from source other than United States.—No Government official or employee shall receive any salary in connection with his services as such an official or employee from any source other than the Government of the United States, except as may be contributed out of the treasury of any State, county, or municipality, and no person, association, or corporation shall make any contribution to, or in any way supplement the salary of, any Government official or employee for the services performed by him for the Government of the United States. Any person violating any of the terms of this section shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not less than \$1,000 or imprisonment for not less than six months, or by both such fine and imprisonment as the court may determine. (Mar. 3, 1917, ch. 163, § 1, 39 Stat. 1106.)

§ 67. Same; employees of Department of Agriculture and Forest Service.—Officials and employees of the Department of Agriculture engaged in activities of the Department of Agriculture described in section 563 of this title, and paid in whole or in part out of funds contributed as provided in said section 563, and the persons, corporations, or associations making contributions as provided in said section 563 shall not be subjected to the provisions of section 66 of this title; nor shall any official or employee engaged in the cooperative activities of the Forest Service, or the persons, corporations, or associations contributing to such activities be subject to said section 66. (July 24, 1919, ch. 26, 41 Stat. 270.)

§ 69. Extra services.—No allowance or compensation shall be made to any officer or clerk, by reason of the discharge of duties which belong to any other officer or clerk in the same or any other department; and no allowance or compensation shall be made for any extra services whatever, which any officer or clerk may be required to perform, unless expressly authorized by law. (R. S. § 1764.)

DERIVATION

Act Aug. 26, 1842, ch. 202, § 12, 5 Stat. 525.

§ 70. Extra allowances.—No officer in any branch of the public service, or any other person whose salary, pay, or emoluments are fixed by law or regulations, shall receive any additional pay, extra allowance, or compensation, in any form whatever, for the disbursement of public money, or for any other service or duty whatever, unless the same is authorized by law, and the appropriation therefor explicitly states that it is for such additional pay, extra allowance, or compensation. (R. S. § 1765.)

DERIVATION

Act Mar. 3, 1839, ch. 82, § 3, 5 Stat. 349; act Aug. 23, 1842, ch. 183, § 2, 5 Stat. 510; act May 1, 1876, ch. 88, 19 Stat. 45.

CROSS REFERENCES

Allowance of living quarters, including heat, fuel, and light, to employees having permanent stations in a foreign country notwithstanding provisions of this section, see section 118a of this title.

§ 71. Extra compensation or perquisites.—No civil officer of the Government shall receive any compensation or perquisites, directly or indirectly, from the treasury or property of the United States beyond his salary or compensation allowed by law: *Provided*, That this shall not be construed to prevent the employment and payment by the Department of Justice of district attorneys as allowed by law for the performance of services not covered by their salaries or fees. (June 20, 1874, ch. 328, § 3, 18 Stat. 109.)

§ 72. Additional compensation to persons employed under general or lump-sum appropriation.—It shall not be lawful to pay to any person, employed in the service of the United States under any general or lump-sum appropriation, any sum additional to the regular compensation received for or attached to any employment held prior to an appointment or designation as acting for or instead of an occupant of any other office or employment. This section shall not be construed as prohibiting regular and permanent appointments by promotion from lower to higher grades of employments. (Aug. 1, 1914, ch. 223, § 12, 38 Stat. 680.)

CROSS REFERENCE

Increases in compensation, see section 667 of this title.

§ 73. Actual traveling expenses only allowed.—Except as otherwise provided by law, only actual traveling expenses shall be allowed to any person holding employment or appointment under the United States, except marshals, district attorneys, and clerks of the courts of the United States and their deputies. All allowances for mileages and transportation in excess of the amount actually paid, except as above excepted, are declared illegal; and no credit shall be allowed to any of the disbursing officers of the United States for payment or allowances in violation of this section. (Mar. 3, 1875, ch. 133, § 1, 18 Stat. 452.)

REPEAL

Insofar as the provisions of this section relating to subsistence may conflict with those of sections 821-833 of this title they were repealed by section 829 of this title.

§ 73a. Travel expenses of officers and employees; transportation in privately owned motorcycles; automobiles, or airplanes; payments on mileage basis in lieu of actual expenses.—A civilian officer or employee engaged in necessary travel on official business away from his designated post of duty may be paid, in lieu of actual expenses of transportation, under regulations to be prescribed by the President, not to exceed 2 cents per mile for the use of a privately owned motorcycle or 5 cents per mile for the use of a privately owned automobile or airplane for such transportation, whenever such mode of travel has been previously authorized and payment on such mileage basis is more economical and advantageous to the United States. (Feb. 14, 1931, ch. 165, 46 Stat. 1103; Mar. 3, 1933, ch. 212, title II, § 9, 47 Stat. 1516; Apr. 25, 1940, ch. 156, 54 Stat. 167; Dec. 22, 1944, ch. 667, 58 Stat. 908.)

AMENDMENTS

1944—Act Dec. 22, 1944, cited to text, amended section by adding "or airplane" following "owned automobile."

EFFECTIVE DATE

Section 2 of act Dec. 22, 1944, cited to text, provided that amendment of section should become effective ninety days after approval by President.

REPEALS

The second sentence of section 1 of Act Dec. 22, 1944, cited to text, provided that all law or parts of law were modified or repealed to the extent that they conflicted with section.

§ 73b. Traveling expenses limited to lowest first-class rate.—Whenever by or under authority of law actual expenses for travel may be allowed to officers or employees of the United States, such allowances, in the case of travel ordered after March 3, 1933, shall not exceed the lowest first-class rate by the transportation facility used in such travel. (Mar. 3, 1933, ch. 212, title II, § 10, 47 Stat. 1516.)

REPEAL

Insofar as the provisions of this section relating to subsistence may conflict with those of sections 821-833 of this title they were repealed by section 829 of this title.

CROSS REFERENCE

Traveling expenses on inter-island steamships in Hawaii as limited to lowest first-class rate on trans-Pacific steamships, see section 73e of this title.

§ 73c. Transportation of effects; automobiles.—Hereafter, no law or regulation authorizing the transportation at Government expense of the effects of officers, employees, or other persons, shall be construed or applied as including or authorizing the transportation of an automobile: *Provided*, That funds available to the Department of State may be expended for the transportation of a personally owned automobile in any case where the Secretary of State shall determine that ocean transportation is necessary for any part of the distance between points of origin and destination, except that this authorization shall not be extended to any ambassador or Minister when proceeding to a post of duty where a Government-owned automobile shall have been provided for his use. (June 30, 1932, ch. 314, § 209, 47 Stat. 405; Apr. 30, 1940, ch. 172, 54 Stat. 174.)

CROSS REFERENCE

Section is also set out as section 823a of this title.

§ 73c-1. Same; household goods and personal effects of civilian employees.—Expenses which now or hereafter may be authorized by law to be paid from Government funds for the packing, crating, drayage, and transportation of household goods and personal effects of civilian officers and employees of any of the executive departments or establishments of the United States when transferred from one official station to another for permanent duty shall hereafter be allowed and paid, when specifically authorized or approved by the head of the department or establishment concerned, under such rules and regulations as may be prescribed by the President, which regulations shall prescribe, among other matters, the maximum weight of the property, not to exceed five thousand pounds gross or the equivalent thereof when transportation charges are based on cubic measurements, which may be packed, crated, hauled, transported, and unpacked at Government expense: *Provided*, That no part of such expenses shall

be paid from Government funds where the transfer is made at the request and primarily for the convenience or benefit of the officer or employee: *Provided further*, That nothing herein shall affect the allowance and payment of expenses for, or incident to, the transportation of effects of officers and employees of the Foreign Service, Department of State, except where the transfer is made at the request and primarily for the convenience or benefit of the officer or employee. (Oct. 10, 1940, ch. 848, 54 Stat. 1105.)

§ 73d. Traveling expenses to and from Virgin Islands; transportation of bodies of deceased persons.—The Secretary of the Interior is authorized to furnish to persons appointed from the continental United States for employment in the service of the United States in the Virgin Islands, and to persons who may be discharged without prejudice or, after a period of service of not less than one year, may resign from the service of the United States in the Virgin Islands, free transportation between a port in the United States and the post of duty in the Virgin Islands. The Secretary of the Interior is further authorized to furnish to persons appointed from the continental United States and employed in the service of the United States in the Virgin Islands free transportation from the post of duty to a port in the continental United States and return for the purpose of taking leave, but not more frequently in the case of any persons than once during each two-year period of service.

The Secretary of the Interior is further authorized to provide free transportation of the bodies of deceased persons formerly appointed from the continental United States for employment in the service of the United States in the Virgin Islands, from the post of duty previously held in the Virgin Islands to such destination in the continental United States as may be requested by the deceased person's nearest relatives and/or friends. (June 5, 1936, ch. 526, 49 Stat. 1483.)

REPEAL

Insofar as the provisions of this section relating to subsistence may conflict with those of sections 821-833 of this title they were repealed by section 829 of this title.

§ 73e. Traveling expenses on inter-island steamships in Hawaii.—Whenever by or under authority of law actual expenses for travel may be allowed to officers and employees of the United States, such allowance, in the case of travel after May 28, 1938 on inter-island steamships in the Territory of Hawaii, shall not exceed the rate for accommodations on such steamships equivalent as nearly as may be to the lowest first-class accommodations on transpacific steamships. The maximum fixed by this section shall be in lieu of the maximum fixed by section 73b of this title. (May 28, 1938, ch. 289, § 811, 52 Stat. 577.)

REPEAL

Insofar as the provisions of this section relating to subsistence may conflict with those of sections 821-833 of this title they were repealed by section 829 of this title.

§ 74. Expenses for subsistence; traveling on duty.—Unless otherwise expressly provided by law, no officer or employee of the United States shall be allowed or paid any sum in excess of expenses actually incurred for subsistence while traveling on duty outside of the District of Columbia and away from his designated post of duty, nor any sum for such expenses actually incurred in excess of \$5 per day; nor shall any allowance or reimbursement for subsistence be paid to any officer or employee in any branch of the public service of the United States in the District of Columbia unless absent from his designated post of duty outside of the District of Columbia, and then only for the period of time actually engaged in the discharge of official duties. (Apr. 6, 1914, ch. 52, § 1, 38 Stat. 318.)

REPEAL

Insofar as the provisions of this section relating to subsistence may conflict with those of sections 821-833 of this title they were repealed by section 829 of this title.

CROSS REFERENCE

Per diem allowance, in lieu of their actual expenses, to officers and employees away on official business, see section 823 of this title.

§ 75. Same; engaged in field work or traveling on official business.—Except as otherwise expressly provided by law, the heads of executive departments and other Government establishments are authorized to prescribe per diem rates of allowance not exceeding \$4 in lieu of subsistence to persons engaged in field work or traveling on official business outside of the District of Columbia and away from their designated posts of duty when not otherwise fixed by law. The annual estimates of appropriations from which per diem allowances are to be paid shall specifically state the rates of such allowances. (Aug. 1, 1914, ch. 223, § 13, 38 Stat. 680.)

REPEAL

Insofar as the provisions of this section relating to subsistence may conflict with those of sections 821-823 of this title they were repealed by section 829 of this title.

CROSS REFERENCE

Prescription of per diem allowances by heads of departments and establishments, see section 827 of this title.

§ 75a. Civilians employed in field service; quarters, heat, light, household equipment, subsistence, and laundry service.—The head of an executive department or independent establishment, where, in his judgment, conditions of employment require it, may continue to furnish civilians employed in the field service with quarters, heat, light, household equipment, subsistence, and laundry service; and appropriations of the character used before March 5, 1928, for such purposes are hereby made available therefor: *Provided*, That the reasonable value of such allowances shall be determined and considered as part of the compensation in fixing the salary rate of such civilians. (Mar. 5, 1928, ch. 126, § 3, 45 Stat. 193.)

§ 75c. Allotment of pay by civilian personnel stationed abroad.—The heads of the executive departments and establishments

of the United States, under such regulations as they may prescribe, be, and are hereby, authorized to permit civilian officers and employees, during such time as they may be assigned for duty outside the continental limits of the United States, to make allotments, in whole or in part, from their pay, for the support of their families or relatives, for their own savings or for other similar purposes. (May 14, 1937, ch. 187, 50 Stat. 166.)

§ 76. Free tuition in District of Columbia schools for children of employees of United States.—The children of officers and men of the United States Army, Navy, and Marine Corps, and children of other employees of the United States stationed outside the District of Columbia shall be admitted to the public schools of the District of Columbia without payment of tuition. (June 12, 1940, ch. 333, § 1, 54 Stat. 319.)

§ 77. Restrictions on payment of expenses of carriages or vehicles for personal or official use.—No part of any money appropriated by any Act shall be used for purchasing, maintaining, driving, or operating any carriage or vehicle (other than those for the use of the President of the United States, the heads of the executive departments, and the Secretary to the President, and other than those used for transportation of property belonging to or in the custody of the United States), for the personal or official use of any officer or employee of any of the executive departments or other Government establishments at Washington, District of Columbia, unless the same shall be specifically authorized by law or provided for in terms by appropriation of money, and all such carriages and vehicles so procured and used for official purposes shall have conspicuously painted thereon at all times the full name of the executive department or other branch of the public service to which the same belong and in the service of which the same are used. (Mar. 18, 1904, ch. 716, § 3, 33 Stat. 142; Feb. 3, 1905, ch. 297, § 4, 33 Stat. 687.)

§ 77a. Restrictions on use of government owned or leased motor vehicles; exceptions; definition.—Any officer or employee of the Government who uses or authorizes the use of any Government-owned motor-propelled passenger-carrying vehicle, or of any motor-propelled passenger-carrying vehicle leased by the Government, for other than official purposes or otherwise violates the provisions of this section shall be summarily removed from office. The limitations of this section shall not apply to any motor vehicles for official use of the President, the heads of the executive departments, Ambassadors, Ministers, charges d'affaires, and other principal diplomatic and consular officials.

“Official purposes” shall not include the transportation of officers and employees between their domiciles and places of employment, except in case of medical officers on out-patient medical services and except in cases of officers and employees engaged in field work the character of whose duties makes such transportation necessary and then only as to such latter cases when the same is approved by the head of the department or establishment concerned. (June 27, 1944, ch. 286, title II, § 202 (b), 58 Stat. 385.)

§ 78. Restrictions on payments for purchase or operation of passenger-carrying vehicles.—No appropriation made in any Act

shall be available for the purchase of any motor-propelled or horse-drawn passenger-carrying vehicle for the service of any of the executive departments or other Government establishments, or any branch of the Government service, unless specific authority is given therefor. There shall not be expended out of any appropriation made by Congress any sum for purchase, maintenance, repair, or operation of motor-propelled or horse-drawn passenger-carrying vehicles for any branch of the public service of the United States unless the same is specifically authorized by law. In the estimates for each fiscal year there shall be submitted in detail estimates for such necessary appropriations as are intended to be used for purchase, maintenance, repair, or operation of all motor-propelled or horse-drawn passenger-carrying vehicles, specifying the sums required, the public purposes for which said vehicles are intended, and the officials or employees by whom the same are to be used. (July 16, 1914, ch. 141, § 5, 38 Stat. 508.)

§ 80. Same; field work of Department of Agriculture.—Nothing in section 78 of this title shall be construed to apply to the hire of motor-propelled and horse-drawn passenger-carrying vehicles and motor boats necessary in the field work of the Department of Agriculture, or to the maintenance, repair, or operation of vehicles so hired. (Aug. 11, 1916, ch. 313, 39 Stat. 491.)

§ 81. Same; vehicles transferred by Secretary of War to Secretary of Agriculture.

Section, act Mar. 15, 1920, ch. 100, § 6, 41 Stat. 531, applied only to section 5 of Title 23, Highways, and section 561 of Title 16, Conservation, the text of which sections is no longer carried in the United States Code.

§ 82. Officers in arrears.—No money shall be paid to any person for his compensation who is in arrears to the United States, until he has accounted for and paid into the Treasury all sums for which he may be liable. In all cases where the pay or salary of any person is withheld in pursuance of this section, the General Accounting Office, if required to do so by the party, his agent or attorney, shall report forthwith to the General Counsel for the Department of the Treasury the balance due; and the General Counsel shall, within sixty days thereafter, order suit to be commenced against such delinquent and his sureties. (R. S. 1766; June 10, 1921, ch. 18, 42 Stat. 23; May 10, 1934, ch. 277, § 512 (b), 48 Stat. 759.)

DERIVATION

Act Jan. 25, 1828, ch. 2, 4 Stat. 246; act May 20, 1836, ch. 77, 5 Stat. 31.

§ 83. Restrictions on paying fees or dues in societies.—No money appropriated by any Act shall be expended for membership fees or dues of any officer or employee of the United States or the District of Columbia in any society or association or for expenses of attendance of any person at any meeting or convention of members of any society or association, unless such fees, dues, or expenses are authorized to be paid by specific appropriations for such purposes or are provided for in express terms in some general appropriation. This section shall not be so construed as to prohibit the payment from the appropria-

tions for the Department of Agriculture of expenses incidental to the delivery of lectures, the giving of instruction, or the acquiring of information at meetings by its employees on subjects relating to the work of the department authorized by law. (June 26, 1912, ch. 182, § 8, 37 Stat. 184; Mar. 4, 1913, ch. 145, 37 Stat. 854.)

§ 84. Annual or monthly compensation.—Where the compensation of any person in the service of the United States is annual or monthly the following rules for division of time and computation of pay for services rendered are established: Annual compensation shall be divided into twelve equal installments, one of which shall be the pay for each calendar month; and in making payments for a fractional part of a month one thirtieth of one of such installments, or of a monthly compensation, shall be the daily rate of pay. For the purpose of computing such compensation and for computing time for services rendered during a fractional part of a month in connection with annual or monthly compensation, each and every month shall be held to consist of thirty days, without regard to the actual number of days in any calendar month, thus excluding the 31st of any calendar month from the computation and treating February as if it actually had thirty days. Any person entering the service of the United States during a thirty-one day month and serving until the end thereof shall be entitled to pay for that month from the date of entry to the 30th day of said month, both days inclusive; and any person entering said service during the month of February and serving until the end thereof shall be entitled to one month's pay less as many thirtieths thereof as there were days elapsed prior to date of entry. For one day's unauthorized absence on the 31st day of any calendar month one day's pay shall be forfeited. (June 30, 1906, ch. 3914, § 6, 34 Stat. 763.)

§ 84a. Consent of United States to taxation of compensation of officers and employees of United States, Territories, etc.—The United States hereby consents to the taxation of compensation, received after December 31, 1938, for personal service as an officer or employee of the United States, any Territory or possession or political subdivision thereof, the District of Columbia, or any agency or instrumentality of any one or more of the foregoing, by any duly constituted taxing authority having jurisdiction to tax such compensation, if such taxation does not discriminate against such officer or employee because of the source of such compensation. (Apr. 12, 1939, ch. 59, Title I, § 4, 53 Stat. 575.)

CROSS REFERENCE

State, etc., taxation of income of residents of, or from transactions in, Federal areas, see section 14 of Title 4, Flag and Seal, Seat of Government, and the States.

§ 85. Compensation for clerks or secretaries of retired officials.—No allowance or compensation for clerks or secretaries of officials of the United States retired from active service shall be authorized. (July 1, 1898, ch. 546, § 1, 30 Stat. 644.)

§ 86. Holidays; for per diem employees.—The employees of the Navy Yard, Government Printing Office, Bureau of Printing and

Engraving, and all other per diem employees of the Government on duty at Washington, or elsewhere in the United States, shall be allowed the following holidays, to wit: The 1st day of January, the 22d day of February, the day of each year which is celebrated as "Memorial" or "Decoration Day," the 4th day of July, the 25th day of December, and such days as may be designated by the President as days for national thanksgiving. (Jan. 6, 1885, No. 5, 23 Stat. 516; Feb. 23, 1887, No. 6, 24 Stat. 644.)

REPEAL

As originally enacted this section also contained a provision relating to pay of employees for work on holidays. Said provision was repealed by act June 29, 1938, ch. 818, § 2, 52 Stat. 1247, which provided as follows: "The joint resolution of Jan. 6, 1885 (U. S. C., title 5, sec. 86), and all other laws inconsistent or in conflict with the provisions of this Act [section 86a of this title] are hereby repealed to the extent of such inconsistency or conflict."

§ 86a. Holidays of employees by day, hour, or piece; pay.—Whenever regular employees of the Federal Government whose compensation is fixed at a rate per day, per hour, or on a piecework basis are relieved or prevented from working solely because of the occurrence of a holiday such as New Year's Day, Washington's Birthday, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Christmas Day, or any other day declared a holiday by Federal statute or Executive order, or any day on which the departments and establishments of the Government are closed by Executive order, they shall receive the same pay for such days as for other days on which an ordinary day's work is performed. (June 29, 1938, ch. 818, § 1, 52 Stat. 1246.)

§ 87. Same; Labor Day.—The first Monday of September in each year, being the day celebrated and known as Labor's Holiday, is made a legal public holiday, to all intents and purposes, in the same manner as Christmas, the 1st day of January, the 22d day of February, the 30th day of May and the 4th day of July are now made by law public holidays. (June 28, 1894, ch. 118, 28 Stat. 96.)

§ 87a. Same; Armistice Day.—The 11th day of November in each year, a day to be dedicated to the cause of world peace and to be hereafter celebrated and known as Armistice Day, is hereby made a legal public holiday to all intents and purposes and in the same manner as the 1st day of January, the 22d day of February, the 30th day of May, the 4th day of July, the first Monday of September, and Christmas Day are now made by law public holidays. (May 13, 1938, ch. 210, 52 Stat. 351.)

§ 87b. Same; Thanksgiving Day.—The fourth Thursday of November in each year after the year 1941 shall be known as Thanksgiving Day, and is hereby made a legal public holiday to all intents and purposes and in the same manner as the 1st day of January, the 22d day of February, the 30th day of May, the 4th day of July, the first Monday of September, the 11th day of November, and Christmas Day are now made by law public holidays. (Dec. 26, 1941, ch. 631, 55 Stat. 862.)

§ 88. Removal of office.—Whenever any public office is removed by reason of sickness which may prevail in the town or city where

it is located, a particular account of the cost of such removal shall be laid before Congress. (R. S. § 1776.)

DERIVATION

Act Apr. 21, 1806, ch. 41, § 6, 2 Stat. 397.

§ 91. Evidence furnished by departments in suits in Court of Claims.—In all suits brought against the United States in the Court of Claims founded upon any contract, agreement, or transaction with any department, or any bureau, officer, or agent of a department, or where the matter or thing on which the claim is based has been passed upon and decided by any department, bureau, or officer authorized to adjust it, the Attorney General shall transmit to such department, bureau, or officer, a printed copy of the petition filed by the claimant, with a request that the department, bureau, or officer, shall furnish to the Attorney General all facts, circumstances, and evidence touching the claim in the possession or knowledge of the department, bureau, or officer. Such department, bureau, or officer shall, without delay, and within a reasonable time, furnish the Attorney General with a full statement, in writing, of all such facts, information, and proofs. The statement shall contain a reference to or description of all such official documents or papers, if any, as may furnish proof of facts referred to in it, or may be necessary and proper for the defense of the United States against the claim, mentioning the department, office, or place where the same is kept or may be procured. If the claim has been passed upon and decided by the department, bureau, or officer, the statement shall succinctly state the reasons and principles upon which such decision was based. In all cases where such decision was founded upon any Act of Congress, or upon any section or clause of such Act, the same shall be cited specifically; and if any previous interpretation or construction has been given to such Act, section, or clause by the department, bureau, or officer, the same shall be set forth succinctly in the statement, and a copy of the opinion filed, if any, shall be annexed to it. Where any decision in the case has been based upon any regulation of a department, or where such regulation has, in the opinion of the department, bureau, or officer transmitting such statement, any bearing upon the claim in suit, the same shall be distinctly quoted at length in the statement. But where more than one case, or a class of cases, is pending, the defense to which rests upon the same facts, circumstances, and proofs, the department, bureau, or officer shall only be required to certify and transmit one statement of the same, and such statement shall be held to apply to all such cases, as if made out, certified, and transmitted in each case respectively. (R. S. § 188.)

DERIVATION

Act June 25, 1868, ch. 71, § 6, 15 Stat. 76.

§ 92. Taking oaths or acknowledgments.—In all cases in which, under the laws of the United States, oaths or acknowledgments might be taken or made on June 22, 1874, before any justice of the peace of any State or Territory, or in the District of

Columbia, they may be also taken or made by or before any notary public duly appointed in any State, District, or Territory, or any of the United States commissioners, and, when certified under the hand and official seal of such notary or commissioner, shall have the same force and effect as if taken or made by or before such justice of the peace. (R. S. § 1778; May 28, 1896, ch. 252, § 19, 29 Stat. 184.)

DERIVATION

Act Sept. 16, 1850, ch. 52, § 1, 9 Stat. 458; act July 29, 1854, ch. 159, § 1, 10 Stat. 315.

CHANGE IN NAME

"Justice of the peace" courts in District of Columbia to be known as "municipal courts of the District of Columbia," see act February 17, 1909, ch. 134, 35 Stat. 623.

§ 92a. Oaths required by United States; administration by notaries public and other State officers.—In all cases in which, under the laws of the United States, oaths are authorized or required to be administered, they may be administered by notaries public duly appointed in any State, District, or Territory of the United States, by clerks and prothonotaries of courts of record of any such State, District, or Territory, by the deputies of such clerks and prothonotaries, and by all magistrates authorized by the laws of or pertaining to any such State, District, or Territory to administer oaths. (July 3, 1926, ch. 752, 44 Stat. 830.)

§ 93. Oaths to witnesses.—Any officer or clerk of any of the departments lawfully detailed to investigate frauds on, or attempts to defraud, the Government, or any irregularity or misconduct of any officer or agent of the United States, and any officer of the Army, Navy, Marine Corps, or Coast Guard, detailed to conduct an investigation, and the recorder, and if there be none the presiding officer, of any military, naval, or Coast Guard board appointed for such purpose, shall have authority to administer an oath to any witness attending to testify or depose in the course of such investigation. (R. S. § 183; Mar 2, 1901, ch. 809, § 3, 31 Stat. 951; Feb. 13, 1911, ch. 43, 36 Stat. 898; Jan. 28, 1915, ch. 20, § 1, 38 Stat. 800.)

DERIVATION

Res. Apr. 10, 1869, No. 15, § 2, 16 Stat. 55; act Mar. 7, 1870, ch. 23, 16 Stat. 75.

§ 94. Subpoenas to witnesses.—Any head of a department or bureau in which a claim against the United States is properly pending may apply to any judge or clerk of any court of the United States, in any State, District, or Territory, to issue a subpoena for a witness being within the jurisdiction of such court, to appear at a time and place in the subpoena stated, before any officer authorized to take depositions to be used in the courts of the United States, there to give full and true answers to such written interrogatories and cross-interrogatories as may be submitted with the application, or to be orally examined and cross-examined upon the subject of such claim. (R. S. § 184.)

DERIVATION

Act Feb. 14 1871, ch. 51, § 1, 16 Stat. 412.

§ 95. Witnesses' fees.—Witness subpoenaed pursuant to section 94 shall be allowed the same compensation as is allowed witnesses in the courts of the United States. (R. S. § 185.)

DERIVATION

Act Feb. 14, 1871, ch. 51, § 1, 16 Stat. 412.

CROSS REFERENCES

Loss of salary as witness in certain cases, see section 30n-1 of this title.

§ 96. Compelling testimony.—If any witness, after being duly served with such subpoena, neglects or refuses to appear, or appearing, refuses to testify, the judge of the district in which the subpoena issued may proceed, upon proper process, to enforce obedience to the subpoena, or to punish the disobedience, in like manner as any court of the United States may do in case of process of subpoena ad testificandum issued by such court. (R. S. § 186.)

DERIVATION

Act Feb. 14, 1871, ch. 51, § 1, 16 Stat. 412.

§ 97. Oaths to expense accounts.—Chief clerks of the various executive departments, independent establishments, and other Government agencies, or of bureaus thereof, chiefs of field parties and any officer or employee of any executive department, independent establishment, or other Government agency, in the District of Columbia or elsewhere, who shall have been designated in writing for such purpose by the head of the department, establishment, or agency concerned, are required, empowered, and authorized, when requested, to administer oaths, required by law or otherwise, to accounts for travel or other expenses against the United States, with like force and effect as officers having a seal; for such services when so rendered, or when rendered on demand by notaries public, who at the time are also salaried officers or employees of the United States, no charge shall be made; and no fee or money paid for the services herein described shall be paid or reimbursed by the United States. (Aug. 24, 1912, ch. 355, § 8, 37 Stat. 487; June 6, 1939, ch. 185, 53 Stat. 810.)

§ 98. Civil pension roll prohibited.—The establishment of a civil pension roll or an honorable-service roll, or the exemption of any of the officers, clerks, and persons in the public service from the laws existing February 24, 1899, respecting employment in such service, is prohibited. (Feb. 24, 1899, ch. 187, § 4, 30 Stat. 890.)

CROSS REFERENCE

Retirement of civil service employees, see section 691 et seq. of this title.

§ 99. Ex-officers or employees not to prosecute claims in departments.—It shall not be lawful for any person appointed as an officer, clerk, or employee in any of the departments, to act as counsel, attorney, or agent for prosecuting any claim against the United States which was pending in either of said departments while he was such officer, clerk, or employee, nor in any manner,

nor by any means, to aid in the prosecution of any such claim, within two years next after he shall have ceased to be such officer, clerk, or employee. (R. S. § 190.)

§ 101. Advertising practice before departments or offices of Government.—It shall be unlawful for any person, firm, or corporation practicing before any department or office of the Government to use the name of any Member of either House of Congress or of any officer of the Government in advertising the said business. (Apr. 27, 1916, ch. 89, § 1, 39 Stat. 54.)

§ 102. Expenditures for newspapers.—The amount expended in any one year for newspapers, for any department, except the Department of State, including all the bureaus and offices connected therewith, shall not exceed \$100, except where otherwise specifically authorized by law. But the foregoing provision shall not apply to the subscriptions to newspapers by the military information division. No executive officer, other than the heads of departments, shall apply more than \$30, annually, out of the contingent fund under his control, to pay for newspapers, pamphlets, periodicals, or other books or prints not necessary for the business of his office. (R. S. §§ 192, 1779; Mar. 2, 1903, ch. 975, 32 Stat. 929; June 22, 1906, ch. 3514, § 7, 34 Stat. 449.)

DERIVATION

R. S. § 192 from act Aug. 26, 1842, ch. 202, § 16, 5 Stat. 526.

R. S. § 1779 from act Mar. 3, 1839, ch. 82, § 3, 5 Stat. 349.

§ 103. Expenditures for transportation of remains of deceased employees.—The heads of departments shall not authorize any expenditure in connection with transportation of remains of deceased employees, except when otherwise specifically provided by law. (June 7, 1897, ch. 3, § 1, 30 Stat. 86.)

§ 103a. Remains, dependents, and effects of officers and employees dying abroad, or away from official station, transportation.—In case any civilian officer or employee of the United States dies (1) while in a travel status away from his official station in the United States or (2) while performing official duties in a Territory or possession of the United States or in a foreign country or in transit thereto or therefrom, the head of the department, independent establishment, agency, or federally owned or controlled corporation, hereinafter called department, in the service of which such officer or employee was engaged, is hereby authorized, under regulations to be prescribed by the President and except as otherwise provided by law, to pay from the appropriation available for the activity in which he was engaged—

(a) In case of the death of the officer or employee in such travel status in the United States, or in the case of the death of the officer or employee while performing official duties in a Territory or possession of the United States or in a foreign country or in transit thereto or therefrom, the expenses of preparing and transporting the remains of such officer or employee to his home or official station or such other place as the head of the department concerned shall determine to be the appropriate place of interment.

(b) In case of the death of the officer or employee while performing official duties in a Territory or possession of the United

States or in a foreign country or in transit thereto or therefrom, the transportation expenses of his dependents, including expenses incurred in packing, crating, drayage, and transportation of household effects and other personal property to his former home or such other place as the head of the department shall determine. (July 8, 1940, ch. 551, § 1, 54 Stat. 743.)

EFFECTIVE DATE

Section 3 of act July 8, 1940, cited to text, provided as follows: "This Act shall become effective sixty days after its enactment."

§ 103b. Same; temporary absence from duty at time of death.—The benefits of section 103a of this title shall not be denied in any case on the ground that the deceased was temporarily absent from duty when death occurred. (July 8, 1940, ch. 551, § 2, 54 Stat. 744.)

EFFECTIVE DATE

Section 3 of act July 8, 1940, cited to text, provided as follows: "This Act shall become effective sixty days after its enactment."

§ 104a. Annual reports; statement of receipts from fees and charges.—In the annual report to Congress of each executive department or independent establishment there shall be included a statement of receipts during the period covered by such report, from fees or charges paid to such department or establishment under all Acts of Congress. (June 30, 1932, ch. 314, § 313, 47 Stat. 411.)

§ 105a. Information furnished Committees of Congress on request.—Every executive department and independent establishment of the Government shall, upon request of the Committee on Expenditures in the Executive Departments of the House of Representatives, or of any seven members thereof, or upon request of the Committee on Expenditures in the Executive Departments of the Senate, or any five members thereof, furnish any information requested of it relating to any matter within the jurisdiction of said committee. (May 29, 1928, ch. 901, § 2, 45 Stat. 996.)

§ 106. Time of making annual reports.—Except where a different time is expressly prescribed by law, the various annual reports required to be submitted to Congress by the heads of departments shall be made at the commencement of each regular session, and shall embrace the transactions of the preceeding year. (R. S. § 195.)

§ 108. Manuscript of annual reports and accompanying documents.—The appropriations made for printing and binding shall not be used for any annual report or the accompanying documents unless the manuscript and proof therefor is furnished to the Public Printer in the following manner: Manuscript of the documents accompanying such annual reports on or before the 1st day of November of each year; manuscripts of the annual reports on or before the 15th day of November of each year; complete revised proofs of the accompanying documents on the 1st day of December of each year and of the annual reports on the 10th day of December of each year; and all of said annual reports and accompanying documents shall be printed, made public, and avail-

able for distribution not later than within the first five days after the assembling of each regular session of Congress. The provisions of this section shall not apply to the annual reports of the Smithsonian Institution, the Commissioner of Patents, the Comptroller of Currency, or the Secretary of the Treasury. (July 1, 1916, ch. 209, § 3, 39 Stat. 336; June 20, 1936, ch. 630, § 8, 49 Stat. 1550.)

§ 109. Inventories of property.—The Secretary of State, the Secretary of the Treasury, the Secretary of the Interior, the Secretary of War, the Secretary of the Navy, the Postmaster General, the Attorney General, the Secretary of Agriculture, the Secretary of Commerce, and the Secretary of Labor shall keep, in proper books, a complete inventory of all the property belonging to the United States in the buildings, rooms, offices, and grounds occupied by them, respectively, and under their charge, adding thereto, from time to time, an account of such property as may be procured subsequently to the taking of such inventory, as well as an account of the sale or other disposition of any of such property, except supplies of stationery and fuel in the public offices and books, pamphlets, and papers in the Library of Congress. (R. S. § 197; Feb. 27, 1877, ch. 69, § 1, 19 Stat. 241; Feb. 9, 1889, ch. 122, § 1, 25 Stat. 659; Feb. 14, 1903, ch. 552, § 1, 32 Stat. 825; Mar. 4, 1913, ch. 141, § 1, 37 Stat. 736.)

DERIVATION

Act July 15, 1870, ch. 300, § 1, 16 Stat. 364.

§ 110. Transfer of miscellaneous books to District Public Library.—Any books of a miscellaneous character no longer required for the use of any executive department, or bureau, or commission of the Government, and not deemed an advisable addition to the Library of Congress, shall, if appropriate to the uses of the Free Public Library of the District of Columbia, be turned over to that library for general use as a part thereof. (Feb. 25, 1903, ch. 755, § 1, 32 Stat. 865.)

§ 113. Prohibition of contributions or presents to superiors.—No officer, clerk, or employee in the United States Government employ shall at any time solicit contributions from other officers, clerks, or employees in the Government service for a gift or present to those in a superior official position; nor shall any such officials, or clerical superiors receive any gift or present offered or presented to them as a contribution from persons in Government employ receiving a less salary than themselves; nor shall any officer or clerk make any donation as a gift or present to any official superior. Every person who violates this section shall be summarily discharged from the Government employ. (R. S. § 1784.)

DERIVATION

Act Feb. 1, 1870, ch. 11, 16 Stat. 63.

CROSS REFERENCE

Removal from civil service for cause, see section 652 of this title.

§ 114. Foreign decorations.—No decoration, or other thing, the acceptance of which may be authorized by consent of Congress,

by any officer of the United States, from any foreign government, shall be publicly shown or exposed upon the person of the officer so receiving the same. (Jan. 31, 1881, ch. 32, § 2, 21 Stat. 604.)

§ 115. Same; delivery through State Department.—Any present, decoration, or other thing, which shall be conferred or presented by any foreign government to any officer of the United States, civil, naval, or military, shall be tendered through the Department of State, and not to the individual in person, but such present, decoration, or other thing shall not be delivered by the Department of State unless so authorized by act of Congress. (Jan. 31, 1881, ch. 32, § 3, 21 Stat. 604.)

§ 118. Expenditures for telegraph and telephone communication.—The head of any department or establishment of the Government, in his discretion, may transfer in advance to the Signal Corps of the Army, from appropriations available for the transmission of messages, such amounts as may be necessary to defray the expense of transmitting messages turned over by him to that corps, including the payment of toll charges of commercial carriers, the leasing of facilities required for transmitting messages, and the installation and maintenance of such facilities. (Apr. 15, 1926, ch. 146, 44 Stat. 267.)

§ 118a. Civilian officers and employees having permanent station in foreign countries; living quarters including heat, fuel, and light; allowances in lieu thereof.—Under such regulations as the heads of the respective departments concerned may prescribe and the President approve, civilian officers and employees of the Government having permanent station in a foreign country may be furnished, without cost to them, living quarters, including heat, fuel, and light, in Government-owned or rented buildings, and, where such quarters are not available, may be granted an allowance for living quarters, including heat, fuel, and light, notwithstanding the provisions of section 70 of this title: *Provided*, That said rented quarters or allowances in lieu thereof may be furnished only within the limits of such appropriations as may be made therefor, which appropriations are hereby authorized: *Provided further*, That the provisions of this section shall apply only to those civilian officers and employees who are citizens of the United States. (June 26, 1930, ch. 622, 46 Stat. 818.)

§ 118c. Officers and employees in foreign countries; appropriations authorized to meet losses.—There are authorized to be appropriated annually such sums as may be necessary to enable the President, in his discretion and under such regulations as he may prescribe and notwithstanding the provisions of any other Act and upon recommendation of the Director of Budget, to meet losses sustained on and after July 1, 1933, by officers, enlisted men, and employees of the United States while in service in foreign countries due to the appreciation of foreign currencies in their relation to the American dollar, and to cover any deficiency in the accounts of the Treasurer of the United States, including interest, arising out of the arrangement approved by the President on July 27, 1933, for the conversion into foreign currencies of checks and drafts of officers, enlisted men, and employees for

salaries and expenses: *Provided*, That such action as the President may take shall be binding upon all executive officers of the Government: *Provided further*, That no payments authorized by this section shall be made to any officers, enlisted men, or employees for periods during which their checks or drafts were converted into foreign currencies under the arrangement hereinbefore referred to: *Provided further*, That allowances and expenditures pursuant to this section shall not be subject to income taxes: *And provided further*, That the Director of the Budget shall report all expenditures made for this purpose to Congress annually with the Budget estimates. (Mar. 26, 1934, ch. 87, 48 Stat. 466; Aug. 14, 1937, ch. 627, 50 Stat. 641.)

§ 118d. Exchange of used equipment in payment for new.—Any Government department is authorized to exchange used parts of mechanical refrigerators, hermetically sealed refrigerating units, temperature control devices, and watchmen's clocks as payment, in full or in part, for new or reconditioned parts to be used for the same purpose as those proposed to be exchanged. (Apr. 15, 1937, ch. 95, 50 Stat. 64.)

§ 118d-1. Same; vehicles, boats, accessories and equipment generally.—In purchasing motor-propelled or animal-drawn vehicles or tractors, or road, agricultural, manufacturing, or laboratory equipment, or boats, or parts, accessories, tires, or equipment thereof, the head of any executive department or independent establishment or his duly authorized representative may exchange or sell similar items and apply the exchange allowances or proceeds of sales in such cases in whole or in part payment therefor. (June 26, 1943, ch. 145, title II, § 203, 57 Stat. 195; June 27, 1944, ch. 286, title II, § 203, 58 Stat. 385.)

§ 118e. Detail of specially qualified employees to foreign governments.—The President of the United States is authorized, whenever he finds that the public interest renders such a course advisable, upon agreement with the government of any other American republic or the Government of the Commonwealth of the Philippine Islands, or the Government of Liberia, if such government is desirous of obtaining the services of a person having special scientific or other technical or professional qualifications, other than those persons covered by section 540 of Title 10 and section 441a of Title 34, from time to time to detail for temporary service of not exceeding one year at a time, under such government, any such person in the employ of the Government of the United States: *Provided*, That the President may, in extraordinary circumstances, extend the period of such detail for one or more additional periods of not to exceed six months each: *Provided further*, That while so detailed, such person shall be considered, for the purpose of preserving his rights and privileges as such, an officer or employee of the Government of the United States and of the department or agency from which detailed and shall continue to receive therefrom compensation, and he may receive additional compensation from the department or agency from which detailed not to exceed 50 per centum of the compensation he was receiving as an officer or employee of the United States at the time of detail, and shall receive from

the United States reimbursement for travel expenses to and from the place of detail and monthly allowances determined by the President to be adequate for quarters and subsistence during the period of such detail. The additional compensation, travel expenses, and other allowances authorized by this section to be paid to any such officer or employee shall be paid from any appropriations available for the payment of compensation and travel expenses of the officers and employees of the department or agency from which he is detailed: *Provided, however,* That if any government to which a detail is authorized by this section shall express the desire to reimburse this Government in whole or in part for the expenses of such detail, the President is authorized, when he deems it in the public interest, to accept such reimbursement and the amount so received may be credited to (a) appropriations current at the time the expenses of such detail are to be or have been paid, (b) appropriations current at the time such amounts are received, or (c) in part as provided under (a) and in part as provided under (b) hereof; and such amount shall be available for the purposes of the appropriations to which credited: *And provided further,* That if any such government shall express the desire to provide advances of funds to be used by this Government, in whole or in part for the expenses of such detail, the President is authorized, when he deems it in the public interest, to accept such advances of funds, and the amounts so received may be established as a trust fund, to be available for the purpose and under the provisions of this section until the termination of the detail; any unexpended balance of the trust fund to be returned to the foreign government making the advance. (May 25, 1938, ch. 277, 52 Stat. 442; May 3, 1939, ch. 110, 53 Stat. 652.)

§ 118f. Native employees in foreign countries; last illness and burial expenses.—The head of any executive department, which maintains permanent staffs of employees in foreign countries is hereby authorized to pay out of any appropriation available to the department concerned for miscellaneous or contingent expenses, burial expenses, and expenses in connection with last illness and death, not in excess of \$100 in any one case, of the native employees of such department in those countries with respect to which the Secretary of State shall determine it is customary for employers to pay such expenses; and the head of any executive department, which maintains permanent staffs of employees in foreign countries where such custom does not exist, is authorized, upon finding that the immediate family of the deceased is destitute, to make such payments within the limitations prescribed above to the family, heirs-at-law, or persons responsible for the debts of the deceased, as the officer in charge of the office abroad in which the deceased was employed shall determine to be proper. (July 15, 1939, ch. 286, 53 Stat. 1043.)

CROSS REFERENCE

Transportation of remains, dependents and effects of employees dying abroad or away from official station, see section 103a of this title.

**EX OFFICIO COMMISSIONER FOR ALASKA REPRESENTING
DEPARTMENTS OF INTERIOR, AGRICULTURE,
AND COMMERCE**

§ 119. Designation of Commissioners; residence.—The Secretaries of the Departments of the Interior, Agriculture, and Commerce are authorized and empowered, each for his own department, to designate an employee thereof, employed in and residing in Alaska, who shall be styled ex officio Commissioner for Alaska for the department from which he is selected, and who, from the date of his designation, shall reside and maintain an office in the capital of Alaska. (Feb. 10, 1927, ch. 102, § 1, 44 Stat. 1068.)

§ 120. Powers of Commissioners.—Each of said Secretaries shall delegate and assign to the commissioner representing his department general charge of any or all matters in Alaska under the jurisdiction of such department, or of any bureau or agency thereof, to the extent, in the manner, and subject to such supervision and control as the Secretary may deem proper and expedient. (Feb. 10, 1927, ch. 102, § 2, 44 Stat. 1068.)

§ 121. Personnel under Commissioners.—To the extent the respective Secretaries may determine, employees of the departments affected by sections 119-123 of this title who are stationed in Alaska shall be placed under the direct supervision and control of the ex officio commissioner for his department, herein provided for, together with any additional force which may be detailed by the Secretary of the Interior, Agriculture, or Commerce, from the personnel of his department, should necessity therefor arise; but nothing herein contained shall be construed to authorize the employment of any additional personnel or to warrant the transfer of any clerk or other employee from one department to another, except in the manner provided by law. (Feb. 10, 1927, ch. 102, § 3, 44 Stat. 1068.)

§ 122. Transfer of records, property and unexpended balances of appropriations.—The Secretaries named in section 119 of this title may transfer to the officer designated thereunder as his representative the records or transcripts of records, property (including office and field equipment), and unexpended balances of appropriations which they may deem necessary or proper to transfer to Alaska in order to carry into effect the provisions of sections 119-123 of this title. (Feb. 10, 1927, ch. 102, § 4, 44 Stat. 1068.)

§ 123. Additional powers conferred on Commissioners by order of President; construction and maintenance of roads.—The President of the United States may, by order in writing, should he deem it conducive¹ to economical and effective administration, and with the concurrence of all the Secretaries of the respective departments involved, place under the supervision and direction of one of the three ex-officio commissioners provided for in section 119 of this title, and subject to the provisions of section 120 of this title, any governmental activity relating to Alaska provided for by law now under the direction of the Secretaries named

¹ So in original. Probably should read "conducive."

in section 119 of this title, and to transfer to the officer so selected, the necessary personnel, records, or transcripts of records, property (including office and field equipment), and unexpended balances of appropriations: *Provided*, That the charge and control of all matters relating to the construction and maintenance of roads in Alaska which may now be under the jurisdiction of any other department, bureau, or agency of the Government, together with the records or transcripts thereof, the property including field and office equipment and the unexpended balances of appropriations pertaining thereto, may, with the concurrence of the Secretaries of the respective departments involved, be assigned and transferred to the Secretary of the Interior. (Feb. 10, 1927, ch. 102, § 5, 44 Stat. 1068; June 30, 1932, ch. 320, § 1, 47 Stat. 446.)

REORGANIZATION OF EXECUTIVE AND ADMINISTRATIVE AGENCIES

§§ 124-132. Reorganization by Executive order.

These sections, acts June 30, 1932, ch. 314, §§ 401-409, 47 Stat. 413-414; Mar. 3, 1933, ch. 212, title II, § 16, 47 Stat. 1517-1519; Mar. 20, 1933, ch. 3, title III, § 1, 48 Stat. 16, provided for the reorganization of executive and administrative agencies by executive order of the President. The power of the President under them was effective for a period of two years only from March 20, 1933.

Power of the President under the Reorganization Acts of 1939, see sections 133-133x of this title.

EX. ORD. NO. 6166.—REORGANIZATION OF EXECUTIVE AGENCIES GENERALLY

Ex. Order 6166, June 10, 1933 provided:

§ 1. **PROCUREMENT.** The function of determination of policies and methods of procurement, warehousing, and distribution of property, facilities, structures, improvements, machinery, equipment, stores, and supplies exercised by any agency is transferred to a Procurement Division in the Treasury Department, at the head of which shall be a Director of Procurement.

* * * * *

In respect of any kind of procurement, warehousing, or distribution for any agency the Procurement Division may, with the approval of the President, (a) undertake the performance of such procurement, warehousing, or distribution itself, or (b) permit such agency to perform such procurement, warehousing, or distribution, or (c) entrust such performance to some other agency, or (d) avail itself in part of any of these recourses, according as it may deem desirable in the interest of economy and efficiency. When the Procurement Division has prescribed the manner of procurement, warehousing, or distribution of any thing, no agency shall thereafter procure, warehouse, or distribute such thing in any manner other than so prescribed.

* * * * *

The Procurement Division shall also have control of all property, facilities, structures, machinery, equipment, stores, and supplies not necessary to the work of any agency; may have custody thereof or entrust custody to any other agency; and shall furnish the same to agencies as need therefor may arise.

* * * * *

EFFECTIVE DATE. The effective date of Ex. Ord. 6166, § 1, as provided for in section 22, Post, was extended to Dec. 31, 1933, by Ex. Ord. No. 6224, of July 27, 1933.

* * * * *

SUBSEQUENT TRANSFERS. Subsequent to the effective date of Ex. Ord. No. 6166, § 1, certain functions affected thereby were again transferred as

follows: The Public Buildings Branch of the Procurement Division was transferred to Public Buildings Administration within the Federal Works Administration by Reorg. Plan No. 1, §§ 301, 303, 4 Fed. Reg. 2729; 53 Stat. 1426, 1427.

* * * * *

§ 2. NATIONAL PARKS, BUILDINGS, AND RESERVATIONS

All functions of administration of public buildings, reservations, national parks, national monuments, and national cemeteries are consolidated in the National Park Service in the Department of the Interior, at the head of which shall be a Director of the National Park Service; except that where deemed desirable there may be excluded from this provision any public building or reservation which is chiefly employed as a facility in the work of a particular agency.

* * * * *

§ 4. DISBURSEMENT

The function of disbursement of moneys of the United States exercised by any agency [except United States marshals; the Post Office Department; the Postmaster General; the Board of Trustees of the Postal Savings System; and those disbursement functions of the War Department, Navy Department (including the Marine Corps), and the Panama Canal, not pertaining to departmental salaries in the District of Columbia] is transferred to the [Fiscal Service of the] Treasury Department and, together with the Office of Disbursing Clerk of that department, is consolidated in a Division of Disbursement, at the head of which shall be a Chief Disbursing Officer.

The Division of Disbursement of the Treasury Department is authorized to establish local offices, or to delegate the exercise of its functions locally to officers or employees of other agencies, according as the interests of efficiency and economy may require.

The Division of Disbursement shall disburse moneys only upon the certification of persons by law duly authorized to incur obligations upon behalf of the United States. The function of accountability for improper certification shall be transferred to such persons, and no disbursing officer shall be held accountable therefor. (As amended by Ex. Ord. No. 6728; Reorg. Plan No. III, § 1 (a) (1), eff. June 30, 1940, 5 Fed. Reg. 2107, 54 Stat. 1231; and Reorg. Plan No. IV, §§ 3, 4, eff. June 30, 1940, 5 Fed. Reg. 2421, 54 Stat. 1234.)

AMENDMENTS. The bracketed provisions in the first sentence of this section reflect the changes effected by Reorg. Plan No. IV, §§ 3, 4, eff. June 30, 1940, 5 Fed. Reg. 2421, 54 Stat. 1234, 1235, Ex. Ord. No. 6728, and Reorg. Plan No. III, § 1 (a) (1), 5 Fed. Reg. 2107, 54 Stat. 1231, respectively.

EFFECTIVE DATE. The effective date of section 4 or Ex. Ord. No. 6166, originally fixed by section 22 of the same order, post, was subsequently postponed as follows: to Dec. 31, 1933, by Ex. Ord. No. 6224 of July 27, 1933; to June 30, 1934 (insofar as not already effected prior to Dec. 31, 1933), by Ex. Ord. No. 6540 of Dec. 28, 1933; to Dec. 31, 1934 (insofar as not already effected prior to June 30, 1934), by Ex. Ord. No. 6727 of May 29, 1934; to June 30, 1935, by Ex. Ord. No. 6927 of Dec. 31, 1934; to Dec. 31, 1935 (insofar as not already effected prior to June 30, 1935) by Ex. Ord. No. 7077 of June 15, 1935; to June 30, 1936 (insofar as not already effected prior to Dec. 31, 1935), by Ex. Ord. No. 7261 of Dec. 31, 1935. Each of these orders contained a provision that the changes therein delayed might be made sooner effective by order of the Secretary of the Treasury approved by the President.

§ 5. CLAIMS BY OR AGAINST THE UNITED STATES

The functions of prosecuting in the courts of the United States claims and demands by, and offenses against, the Government of the United States and of defending claims and demands against the Government, and of supervising the work of United States attorneys, marshals, and clerks in connection therewith, now exercised by any agency or officer, are transferred to the Department of Justice.

As to any case referred to the Department of Justice for prosecution or defense in the courts, the function of decision whether and in what manner to prosecute, or to defend, or to compromise, or to appeal, or to abandon

prosecution or defense, now exercised by any agency or officer, is transferred to the Department of Justice.

For the exercise of such of his functions as are not transferred to the Department of Justice by the foregoing two paragraphs, the Solicitor of the Treasury is transferred from the Department of Justice to the Treasury Department.

Nothing in this section shall be construed to affect the function of any agency or officer with respect to cases at any stage prior to reference to the Department of Justice for prosecution or defense.

* * * * *

§ 18. FUNCTIONS ABOLISHED

Section 18 of Ex. Ord. No. 6166, which provided for the partial abolition of cooperative vocational education payments for agricultural experiment stations; cooperative agricultural extension work; and endowment and maintenance of colleges for the benefit of agriculture and the mechanical arts, was revoked by Ex. Ord. No. 6536 of Feb. 6, 1934.

§ 19. GENERAL PROVISIONS

Each agency, all the functions of which are transferred to or consolidated with another agency, is abolished.

The records pertaining to an abolished agency or a function disposed of, disposition of which is not elsewhere herein provided for, shall be transferred to the successor. If there be no successor agency, and such abolished agency be within a department, said records shall be disposed of as the head of such department may direct.

The property, facilities, equipment, and supplies employed in the work of an abolished agency or the exercise of a function disposed of, disposition of which is not elsewhere herein provided for, shall, to the extent required, be transferred to the successor agency. Other such property, facilities, equipment, and supplies shall be transferred to the Procurement Division.

All personnel employed in connection with the work of an abolished agency or function disposed of shall be separated from the service of the United States, except that the head of any successor agency, subject to my approval, may, within a period of four months after transfer or consolidation, reappoint any of such personnel required for the work of the successor agency without reexamination or loss of civil-service status.

EFFECTIVE DATE. The effective date of the last paragraph of this section, originally fixed by section 22, post, was deferred as to employees separated from service under sections 2 and 15, ante, until Sept. 30, 1933, by Ex. Ord. No. 6227 of July 27, 1933. As to employees separated under section 12, ante, a similar deferment to Sept. 30, 1933, was made by Ex. Ord. No. 6245 of Aug. 9, 1933.

§ 21. DEFINITIONS

As used in this order—

“Agency” means any commission, independent establishment, board, bureau, division, service, or office in the executive branch of the Government.

“Abolished agency” means any agency which is abolished, transferred, or consolidated.

“Successor agency” means any agency to which is transferred some other agency or function, or which results from the consolidation of other agencies or functions.

“Function disposed of” means any function eliminated or transferred.

§ 133-133r. Reorganization Act of 1939.

These sections, act Apr. 3, 1939, ch. 36, §§ 1-12, 21-27, 53 Stat. 561-565, constituted the Reorganization Act of 1939. Section 12 thereof (section 133k of this title) provided that no reorganization specified in a reorganization plan proposed under these sections should take effect unless the plan were submitted to the Congress before Jan. 21, 1941. The reorganizations consummated prior to that time are now set out following section 133t of this title.

§ 133s. Reorganization plans numbered I and II; effective date.—The provisions of reorganization plan numbered I, submitted

to the Congress on April 25, 1939, and the provisions of reorganization plan numbered II, submitted to the Congress on May 9, 1939, shall take effect on July 1, 1939, notwithstanding the provisions of sections 133-133r of this title, section 2 of Title 31 and section 45a of Title 3. (June 7, 1939, ch. 193, § 1, 53 Stat. 813.)

CROSS REFERENCE

Reorganization plans numbered I and II are set forth in the note following section 133t of this title.

§ 133t. Same; continuation of agencies beyond statutory period of termination.—Nothing in the reorganization plans numbered I and II or sections 133s-133t of this title shall be construed as having the effect of continuing any agency or function beyond the time when it would have terminated without regard to such plans or sections 133s-133t of this title or of continuing any function beyond the time when the agency in which it was vested would have terminated without regard to such plans or sections 133s-133t of this title. (June 7, 1939, ch. 193, § 2, 53 Stat. 813.)

CROSS REFERENCES

Coordination of execution bureaus in interest of national defense and for the successful prosecution of the war, see sections 601-605 of Appendix to Title 50, War.

Temporary reorganization plans during war period, see notes under section 601 of Appendix to Title 50, War.

REORGANIZATION PLAN NO. I

Effective July 1, 1939, by section 133s of this title

4 Fed. Reg. 2727, 53 Stat. 1423

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, April 25, 1939, pursuant to the provisions of the Reorganization Act of 1939, approved April 3, 1939.

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PART 2. FEDERAL SECURITY AGENCY

* * * * *

§ 207. CIVILIAN CONSERVATION CORPS

The Civilian Conservation Corps and its functions shall be administered by the Director of the Civilian Conservation Corps under the direction and supervision of the Federal Security Administrator.

* * * * *

PART 3. FEDERAL WORKS AGENCY

§ 302. PUBLIC ROADS ADMINISTRATION

(a) The Bureau of Public Roads and its functions shall be administered as the Public Roads Administration at the head of which shall be the Chief of the Bureau of Public Roads whose title shall be changed to Commissioner of Public Roads. Hereafter the Commissioner of Public Roads shall be appointed by the Federal Works Administrator.

* * * * *

§ 307. TRANSFER OF RECORDS AND PROPERTY

All records and property (including office equipment) of the several agencies which, with their functions, are consolidated by section 301 into the Federal Works Agency are hereby transferred to the jurisdiction and control of the Federal Works Agency for use in the administration of the agencies and functions consolidated by that section.

§ 308. TRANSFER OF FUNDS

(a) So much of the unexpended balances of appropriations, allocations, or other funds available (including those available for the fiscal year ending June 30, 1940) for the use of any agency (except the United States Housing Authority) in the exercise of any functions transferred by this part, or for the use of the head of any department or agency in the exercise of any functions so transferred, and so much of such balances available to the United States Housing Authority for administrative expenses, as the Director of the Bureau of the Budget shall determine, shall be transferred for use in connection with the exercise of the functions transferred by this Part. In determining the amount to be transferred the Director of the Bureau of the Budget may include an amount to provide for the liquidation of obligations incurred against such appropriations, allocations, or other funds prior to the transfer: *Provided*, That the use of the unexpended balances of appropriations, allocations, or other funds transferred by this section shall be subject to the provisions of section 133c and section 133h of this title.

(b) All unexpended balances of appropriations, allocations, or other funds available (including those available for the fiscal year ending June 30, 1940) for the use of the United States Housing Authority, other than those transferred by subsection (a) of this section, are hereby transferred with the United States Housing Authority and shall remain available to it for the exercise of its functions.

§ 309. ADMINISTRATIVE FUNDS

The Director of the Bureau of the Budget shall allocate to the Federal Works Agency, from appropriations, allocations, or other funds available (including those available for the fiscal year ending June 30, 1940) for the administrative expenses of the agencies and functions consolidated by section 301, such sums, and in such proportions, as he may find necessary for the administrative expenses of the Federal Works Agency.

§ 310. PERSONNEL

Any of the personnel transferred by this part found to be in excess of the personnel necessary for the efficient administration of the functions transferred by this part shall be retransferred under existing law to other positions in the Government service, or separated from the service subject to the provisions of section 133i (a) of this title.

PART 4. LENDING AGENCIES

§ 401. (A) TRANSFERS TO THE DEPARTMENT OF AGRICULTURE

The Farm Credit Administration, the Federal Farm Mortgage Corporation, and the Commodity Credit Corporation, and their functions and activities, together with their respective personnel, records, and property (including office equipment), are hereby transferred to the Department of Agriculture and shall be administered in such Department under the general direction and supervision of the Secretary of Agriculture, who shall be responsible for the coordination of their functions and activities.

(B) TRANSFER OF ADMINISTRATIVE FUNDS

So much of the unexpended balances of appropriations, allocations, or other funds available (including those available for the fiscal year ending June 30, 1940) for the administrative expenses of any agency transferred by this section, as the Director of the Bureau of the Budget shall determine, shall be transferred to the Secretary of Agriculture for such use; and the Director of the Bureau of the Budget shall allocate to the Secretary of Agriculture from such funds, such sums, and in such proportions, as he may find necessary for the administrative expenses of the Secretary of Agriculture in connection with the agencies and functions transferred by this section. In determining the amount to be transferred, the Director of the Bureau of the Budget may include an amount to provide for the liquidation of obligations incurred against such appropriations, allocations, or other funds prior to the transfer. The use of the unexpended balances of appropriations, allocations, or other funds transferred by this subsection shall be subject to the provision of section 133c (d) (3) and section 133h of this title.

(C) TRANSFER OF OTHER FUNDS

All unexpended balances of appropriations, allocations, or other funds, other than those mentioned in subsection (b) of this section, available (including those available for the fiscal year ending June 30, 1940) for any agency transferred by subsection (a) of this section shall be transferred with such agency and shall remain available to it for the exercise of its functions.

(D) PERSONNEL

Any of the personnel transferred by this section to the Department of Agriculture which the Secretary of Agriculture shall find to be in excess of the personnel necessary for the administration of the functions transferred by this section shall be retransferred under existing law to other positions in the Government, or separated from the service subject to the provisions of section 133i (a) of this title.

* * * * *

REORGANIZATION PLAN NO. II

Effective July 1, 1939, by section 133s of this title
4 Fed. Reg. 2731, 53 Stat. 1431

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, May 9, 1939, pursuant to the provisions of the Reorganization Act of 1939, approved April 3, 1939.

PART 1. DEPARTMENTS**§ 1. STATE DEPARTMENT**

Transfers and consolidations relating to the Department of State are hereby effected as follows:

(A) FOREIGN COMMERCE SERVICE AND FOREIGN AGRICULTURAL SERVICE

The Foreign Commerce Service of the United States and its functions in the Bureau of Foreign and Domestic Commerce of the Department of Commerce and the Foreign Agricultural Service of the United States and its functions as established by sections 541-545 of Title 7, in the Department of Agriculture are hereby transferred to the Department of State and shall be consolidated with and administered as a part of the Foreign Service of the United States under the direction and supervision of the Secretary of State.

(B) FUNCTIONS OF THE SECRETARY OF COMMERCE AND THE SECRETARY OF AGRICULTURE TRANSFERRED TO THE SECRETARY OF STATE; EXCEPTIONS

The functions of the Secretary of Commerce with respect to the Foreign Commerce Service and the functions of the Secretary of Agriculture with respect to the Foreign Agricultural Service (other than functions with respect to such services pertaining to activities in the United States and to the compilation, publication, and dissemination of information) are hereby transferred to, and shall be exercised by, the Secretary of State, except and provided that under regulations prescribed by the President.

(1) The Secretary of State shall cause to be made such investigations relating to commercial and industrial conditions and activities in foreign countries and such other specific investigations relating to foreign commerce as the Secretary of Commerce shall determine to be in the public interest, and shall report to the Secretary of Commerce the results of, and the information secured through such investigations. He shall also cause to be made such investigations relating to world competition and demand for agricultural products, to production, marketing, and disposition of such products to foreign countries, and to farm management and other phases of agricultural industry in foreign countries, and shall conduct abroad such activities (including the demonstration of standards for cotton, wheat, and other American agricultural products), as the Secretary of Agriculture shall determine to be in the public interest, and shall report to the Secretary of Agriculture the results of, and the information secured through, such investigations and activities.

(2) The Secretary of Commerce may from time to time when he deems it in the public interest designate any officer in his Department to render temporary service under the provisions of, and subject to the conditions named in, section 197d of Title 15.

(3) The Secretary of Agriculture may from time to time when he deems it in the public interest designate any officer in his Department to render temporary service under the provisions of, and subject to the conditions named in, section 542 of Title 7.

(4) The Secretary of Commerce and the Secretary of Agriculture may each designate an officer in his Department, acceptable to the Secretary of State, to serve in the Department of State as liaison officer in connection with the administration of the foreign service of the United States.

(5) One officer in the Department of Commerce designated by the Secretary of Commerce and acceptable to the Secretary of State and one officer in the Department of Agriculture designated by the Secretary of Agriculture and acceptable to the Secretary of State shall be added to the membership of the Board of Foreign Service Personnel for the Foreign Service.

* * * * *

(F) BUREAU OF BIOLOGICAL SURVEY

The Bureau of Biological Survey in the Department of Agriculture and its functions are hereby transferred to the Department of the Interior and shall be administered in that Department under the direction and supervision of the Secretary of the Interior. The functions of the Secretary of Agriculture relating to the conservation of wildlife, game, and migratory birds are hereby transferred to, and shall be exercised by, the Secretary of the Interior. The provisions of sections 253 and 254 of title 18, insofar as they relate to officers or employees of the Department of Agriculture designated by the Secretary of Agriculture to enforce any act of Congress for the protection, preservation, or restoration of game and other wildlife and animals shall apply to officers and employees of the Department of the Interior designated by the Secretary of the Interior to exercise and discharge such duties.

* * * * *

(H) MIGRATORY BIRD CONSERVATION COMMISSION

The Secretary of the Interior shall be chairman of the Migratory Bird Conservation Commission, and the Secretary of Agriculture shall be a member thereof.

(I) MOUNT RUSHMORE NATIONAL MEMORIAL COMMISSION

The Mount Rushmore National Memorial Commission and its functions are hereby transferred to the National Park Service in the Department of the Interior. The functions vested in the Commission by sections 3 and 4 (a) of the act of June 15, 1938 (ch. 402, 52 Stat. 694) shall continue to be exercised by the Commission. All other functions of the Mount Rushmore National Memorial Commission shall be administered by the National Park Service under the direction and supervision of the Secretary of the Interior.

* * * * *

§ 5. DEPARTMENT OF AGRICULTURE: RURAL ELECTRIFICATION ADMINISTRATION TRANSFERRED

The Rural Electrification Administration and its functions and activities are hereby transferred to the Department of Agriculture and shall be administered in that Department by the Administrator of the Rural Electrification Administration under the general direction and supervision of the Secretary of Agriculture.

* * * * *

PART 4. GENERAL PROVISIONS

§ 401. TRANSFER OF FUNCTIONS OF HEADS OF DEPARTMENTS

Except as otherwise provided in this plan, the functions of the head of any Department relating to the administration of any agency or function transferred from his Department by this plan, are hereby transferred to,

and shall be exercised by, the head of the department or agency to which such transferred agency or function is transferred by this plan.

§ 402. TRANSFER OF RECORDS, PROPERTY, AND PERSONNEL

All records and property (including office equipment) of the several agencies, and all records and property used primarily in the administration of any functions, transferred by this plan and, except as otherwise provided, all the personnel used in the administration of such agencies and functions (including officers whose chief duties relate to such administration) are hereby transferred to the respective departments or agencies concerned, for use in the administration of the agencies and functions transferred by this plan: *Provided*, That any personnel transferred to any department or agency by this section found by the head of such department or agency to be in excess of the personnel necessary for the administration of the functions transferred to his department or agency shall be retransferred under existing law to other positions in the Government service, or separated from the service subject to the provisions of section 133i (a) of this title.

§ 403. TRANSFER OF FUNDS

So much of the unexpended balances of appropriations, allocations, or other funds available for the use of any agency in the exercise of any function transferred by this plan, or for the use of the head of any department or agency in the exercise of any function so transferred, as the Director of the Bureau of the Budget with the approval of the President shall determine, shall be transferred to the department or agency concerned for use in connection with the exercise of the function so transferred. In determining the amount to be transferred the Director of the Bureau of the Budget may include an amount to provide for the liquidation of obligations incurred against such appropriations, allocations, or other funds prior to the transfer: *Provided*, That the use of the unexpended balances of appropriations, allocations, or other funds transferred by this section shall be subject to the provisions of section 133c (d) (3) and section 133h of this title.

§ 404. TRANSFER OF FUNCTIONS RELATING TO PERSONNEL

Except as prohibited by section 133b (b) of this title, all functions relating to the appointment, fixing of compensation, transfer, promotion, demotion, suspension, or dismissal of persons to or from offices and positions in any department vested by law in any officer of such department other than the head thereof are hereby transferred to the head of such department and shall be administered under his direction and supervision by such department and shall be administered under his direction and supervision by such division, bureau, office, or persons as he shall determine.

REORGANIZATION PLAN NO. III

Effective June 30, 1940, by section 133u of this title

5 Fed. Reg. 2107, 54 Stat. 1231

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, April 2, 1940, pursuant to the provisions of the Reorganization Act of 1939, approved April 3, 1939 (sections 133-133r of this title, section 45a of title 3, section 2 of title 31).

* * * * *

Department of Agriculture

§ 5. SURPLUS MARKETING ADMINISTRATION

The Division of Marketing and Marketing Agreements of the Agricultural Adjustment Administration of the Department of Agriculture and its functions and the Federal Surplus Commodities Corporation as an agency of the Department of Agriculture and its functions are consolidated into an agency in the Department of Agriculture to be known as the Surplus Marketing Administration. The Surplus Marketing Administration shall be headed by an Administrator, who shall be appointed by and subject to the direction and supervision of the Secretary of Agriculture.

(Surplus Marketing Administration, including Federal Surplus Commodities Corporation as an agency of Department of Agriculture, consolidated with other agencies into Agricultural Marketing Administration, for duration of war, see Ex. Ord. No. 9069, set out in note under section 601 of Appendix to Title 50, War.)

* * * * *

General Provisions

§ 8. TRANSFER OF RECORDS, PROPERTY, AND PERSONNEL

All records and property (including office equipment) of the several agencies, and all records and property used primarily in the administration of any functions, transferred or consolidated by this Plan and all the personnel used in the administration of such agencies and functions (including officers whose chief duties relate to such administration and whose offices are not abolished) are transferred or consolidated, as the case may be, within the department or agency concerned, for use in the administration of the agencies and functions transferred or consolidated by this Plan: *Provided*, That any personnel transferred or consolidated within any department or agency by this section found by the head of such department or agency to be in excess of the personnel necessary for the administration of the functions transferred or consolidated shall be retransferred under existing law to other positions in the Government service, or separated from the service subject to the provisions of section 133i of this title.

§ 9. TRANSFER OF FUNDS

So much of the unexpended balances of appropriations, allocations, or other funds available (including funds available for the fiscal year ending June 30, 1941) for the use of any agency in the exercise of any function transferred or consolidated by this Plan, or for the use of the head of any department or agency in the exercise of any function so transferred or consolidated, as the Director of the Bureau of the Budget with the approval of the President shall determine, shall be transferred within the department or agency concerned for use in connection with the exercise of the function so transferred or consolidated. In determining the amount to be transferred the Director of the Bureau of the Budget may include an amount to provide for the liquidation of obligations incurred against such appropriations, allocations, or other funds prior to the transfer: *Provided*, That the use of the unexpended balances of appropriations, allocations, or other funds transferred by this section shall be subject to the provisions of sections 133c (d) (3) and 133h, respectively, of this title.

REORGANIZATION PLAN NO. IV

Effective June 30, 1940, by section 133u of this title

5 Fed. Reg. 2421, 54 Stat. 1234

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, April 11, 1940, pursuant to the provisions of the Reorganization Act of 1939, approved April 3, 1939 [Sections 133-133r of this title, section 45a of Title 3, section 2 of Title 31].

* * * * *

§ 8. TRANSFER OF WEATHER BUREAU

The Weather Bureau in the Department of Agriculture and its functions are transferred to the Department of Commerce and shall be administered under the direction and supervision of the Secretary of Commerce: *Provided*, That the Department of Agriculture may continue to make snow surveys and to conduct research concerning: (a) relationships between weather and crops, (b) long-range weather forecasting, and (c) relationships between weather and soil erosion.

* * * * *

§ 12. TRANSFER OF FOOD AND DRUG ADMINISTRATION

The Food and Drug Administration in the Department of Agriculture and its functions, except those functions relating to the administration of

sections 121-134 of title 7 and sections 91-99 of title 7, are transferred to the Federal Security Agency and shall be administered under the direction and supervision of the Federal Security Administrator. The Chief of the Food and Drug Administration shall hereafter be known as the Commissioner of Food and Drugs.

General Provisions

§ 13. TRANSFER OF FUNCTIONS OF HEADS OF DEPARTMENTS

Except as otherwise provided in this Plan, the functions of the head of any department relating to the administration of any agency or function transferred from his department by this Plan are transferred to, and shall be exercised by, the head of the department or agency to which such transferred agency or function is transferred by this Plan.

§ 14. TRANSFER OF RECORDS, PROPERTY, AND PERSONNEL

Except as otherwise provided in this Plan, all records and property (including office equipment) of the several agencies, and all records and property used primarily in the administration of any functions transferred by this Plan, and all personnel used in the administration of such agencies and functions (including officers whose chief duties relate to such administration and whose offices are not abolished) are transferred to the respective agencies concerned, for use in the administration of the agencies and functions transferred by this Plan: *Provided*, That any personnel transferred to any agency by this section found by the head of such agency to be in excess of the personnel necessary for the administration of the functions transferred to his agency shall be retransferred under existing law to other positions in the Government service, or separated from the service subject to the provisions of section 133i of this title.

§ 15. TRANSFER OF FUNDS

So much of the unexpended balances of appropriations, allocations, or other funds available for the use of any agency in the exercise of any function transferred by this Plan, or for the use of the head of any agency in the exercise of any function so transferred, as the Director of the Bureau of the Budget with the approval of the President shall determine, shall be transferred to the agency concerned for use in connection with the exercise of the function so transferred. In determining the amount to be transferred the Director of the Bureau of the Budget may include an amount to provide for the liquidation of obligations incurred against such appropriations, allocations, or other funds prior to the transfer: *Provided*, That the use of the unexpended balances of appropriations, allocations, or other funds transferred by this section shall be subject to the provisions of sections 133c (d) (3) and 133h of this title.

REGULATIONS CONCERNING REORGANIZATION PLANS

EXECUTIVE ORDER No. 8357

ADMINISTRATION OF THE FOREIGN SERVICE UNDER REORGANIZATION PLAN No. II

Under the authority vested in me by section 1 (b) of Part I of Reorganization Plan No. II (effective July 1, 1939, by Public Resolution approved June 7, 1939, 53 Stat. 1431), and in effectuation of the provisions of subdivisions (2) (3), and (4) of that section, I hereby prescribe the following regulations pertaining to officers designated by the Secretary of Commerce and the Secretary of Agriculture under the said subdivisions:

1. Officers designated by the Secretary of Commerce and the Secretary of Agriculture under subdivisions (2) and (3), respectively, of the said section 1 (b) of Part I of Reorganization Plan No. II may, when acceptable to the Secretary of State, be sent abroad as specialists or technicians for temporary service under the provisions of, and subject to the conditions named in, section 5 of the act of March 3, 1927, 44 Stat. 1396 (section 197d of Title 15), and section 2 of the act of June 5, 1930, 46 Stat. 498 (section 542 of Title 7), as authorized by the said subdivisions (2) and (3), respectively.

2. The Secretary of State shall give suitable commissions to the officers described in paragraph 1 hereof and shall assign them to such offices as may be deemed necessary by him and the Secretary of the department concerned. Such officers, during the active period of their assignment, shall be considered a part of the organization of the Foreign Service, shall assume the status directed by the Secretary of State, and shall, in this respect, be subject to the jurisdiction of the Secretary of State. With the approval of the chief of the office to which they are attached, such officers may request reports from Foreign Service officers upon matters falling within the jurisdiction of their respective departments. The duties of such officers shall be restricted to the accomplishment of the special missions within the scope of their assignments.

3. The officers designated by the Secretary of Commerce and the Secretary of Agriculture under subdivision (4) of the said section 1 (b) of Part I of Reorganization Plan No. II to serve in the Department of State as liaison officers shall, when acceptable to the Secretary of State, serve in matters of interest to their respective departments. (Executive Order No. 8357, Mar. 2, 1940, 5 Fed. Reg. 950.)

§ 133. Reorganization plans numbered III and IV; effective date.—The provisions of Reorganization Plan Numbered III,¹ submitted to the Congress on April 2, 1940, and the provisions of Reorganization Plan Numbered IV,¹ submitted to the Congress on April 11, 1940, shall take effect on June 30, 1940, notwithstanding the provisions of sections 133-133r of this title, section 2 of Title 31, and section 45a of Title 3. (June 4, 1940, ch. 231, § 4, 54 Stat. 231.)

CROSS REFERENCE

Coordination of executive bureaus, offices, etc., see section 601 of Title 50A and Executive Orders that follow.

GOVERNMENT LOSSES IN SHIPMENT

§ 134. Rules and regulations for shipment of valuables.—As soon as practicable after July 8, 1937 the Secretary of the Treasury and the Postmaster General shall, jointly, with the approval of the President, prescribe regulations governing the shipment of valuables by the executive departments, independent establishments, agencies, wholly owned corporations, officers, and employees of the United States, with a view to minimizing risks of loss and destruction of, and damage to, such valuables in shipment. After the effective date of such regulations, which shall be not more than thirty days after their issuance, it shall be the duty of every such executive department, independent establishment, agency, wholly owned corporation, officer, and employee, and of every person acting for him or it, or at his or its direction, to comply with such regulations in making any shipment of valuables. (July 8, 1937, ch. 444, § 1, 50 Stat. 479.)

§ 134a. Fund for losses; appropriations.—There is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$500,000 to be used, under the direction of the Secretary of the Treasury, for the replacement of valuables, or the value thereof, lost, destroyed, or damaged in the course of shipment effected pursuant to the regulations prescribed under section 134 of this title. There is hereby further authorized to be appropriated annually, beginning with the fiscal

¹ Set out in note under section 133t of this title.

year 1939 and ending with the fiscal year 1948, inclusive, the sum of \$200,000 for the said purposes, and from time to time such additional sums as may be necessary for the said purposes. There shall be in the Treasury of the United States a revolving fund, to be known as "the fund for the payment of Government losses in shipment" (hereinafter referred to as "the fund"), to be constituted of the said sum of \$500,000 and the sums hereafter appropriated for the said purposes, together with all recoveries and repayments credited to the fund as provided in section 134b of this title. There is hereby further authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$10,000, for expenditures under the direction of the Secretary of the Treasury, to be used for the payment of administrative expenses, including personal services, necessary to carry out the provisions of sections 134-134h of this title and sections 528 and 738a of Title 31 for the fiscal year 1938. (July 8, 1937, ch. 444, § 2, 50 Stat. 479.)

§ 134b. Claim for replacement.—In the event of loss or destruction of, or damage to, valuables of which shipment shall have been made pursuant to the regulations prescribed under section 134 of this title a claim in writing for replacement shall be made upon the Secretary of the Treasury who, if he shall be satisfied that such loss, destruction, or damage has occurred and that shipment was made substantially in accordance with such regulations, shall cause replacement to be made out of the fund through such officers as he may designate. Notwithstanding any provision of law to the contrary, the decision of the Secretary of the Treasury that such loss, destruction, or damage has occurred or that such shipment was made substantially in accordance with such regulations shall be final and conclusive and shall not be subject to review by any other officer of the United States: *Provided, however,* That where the Secretary of the Treasury determines that such replacement can be effected, in whole or in part, without actual or ultimate injury to the United States, by a credit in the accounts of the executive department, independent establishment, agency, officer, employee, or other accountable person making the claim, he shall not resort to the fund, except to the extent that such replacement cannot be so effected by such credit, but shall certify such determination to the Comptroller General and, upon receipt of such certification, the Comptroller General is authorized and directed to make such credit in the settlement of accounts in the General Accounting Office: *Provided further,* That the fund shall be available for the replacement of any loss or destruction of, or damage to, valuables shipped by or on behalf of the Public Debt Service of the Treasury Department prior to the effective date of this amendment, the replacement of which was chargeable against the securities trust fund established under authority of sections 760 and 761 of Title 31; and the Secretary of the Treasury is hereby authorized and directed to transfer on the books of the Treasury Department the amount standing to the credit of the securities trust fund and credit the same to the fund. *And provided further,* That the fund shall not be available with respect to any loss, destruction, or damage affecting valuables,

insofar as such loss¹ destruction, or damage may be adjusted by the Postmaster General under the provisions of section 49 of Title 39, as amended; nor shall it be available with respect to any loss, destruction, or damage affecting valuables of which shipment shall have been made at the risk of persons other than the United States, its executive departments, independent establishments, agencies, wholly owned corporations, officers, and employees. All recoveries and repayments on account of loss, destruction, or damage to valuables of which replacement shall have been made out of the fund shall be credited to it and shall be available for the purposes thereof. (July 8, 1937, ch. 444, § 3, 50 Stat. 479; Aug. 10, 1939, ch. 665, § 1, 53 Stat. 1358.)

§ 134b-2. Agreements of indemnity.—The Secretary of the Treasury is hereby authorized to execute and deliver, on behalf of the United States, such binding agreements of indemnity as he may deem necessary and proper to enable the United States to obtain the replacement of any instrument or document received by the United States or any agent of the United States in his official capacity which, after having been so received, became lost, destroyed, or so mutilated as to impair its value: *Provided, however,* That no such agreement of indemnity shall operate to obligate the United States in any case in which the obligee named therein makes any payment or delivery not required by law on the original instrument or document covered thereby. The fund shall be available for the payment of any obligation arising out of any agreement executed by the Secretary of the Treasury under this section. (July 8, 1937, ch. 444, § 3, as added Aug. 10, 1939, ch. 665, § 2, 53 Stat. 1359.)

CODIFICATION

Section was added to Government Losses in Shipment Act by act August 10, 1939, cited to text.

§ 134c. Purchase of insurance.—On and after the effective date of the regulations prescribed under section 134 of this title, no executive department, independent establishment, agency, wholly owned corporation, officer, or employee shall expend any money, or incur any obligation, for insurance, or for the payment of premiums on insurance, against loss, destruction, or damage in the shipment of valuables except as specifically authorized by the Secretary of the Treasury. The Secretary of the Treasury may give such authorization if he shall find that the risk of loss, destruction, or damage in such shipment cannot be adequately guarded against by the facilities of the United States or that the circumstances are such that adequate replacement cannot be provided under sections 134-134h of this title and sections 528 and 738a of Title 31. (July 8, 1937, ch. 444, § 4, 50 Stat. 480.)

§ 134d. Presumption of lawful conduct.—Every officer and employee of the United States and every person acting on behalf of a wholly owned corporation who makes a shipment of valuables in good faith pursuant to and substantially in accordance with

¹ Comma omitted from original.

the regulations prescribed under section 134 of this title shall be deemed, insofar as there may be concerned the propriety with respect to such shipment of any act or omission governed by such regulations, to be acting in faithful execution of his duties of office and in full performance of the conditions of his bond and oath of office, if any. (July 8, 1937, ch. 444, § 5, 50 Stat. 480.)

§ 134e. Rules and regulations for execution of sub-chapter.—The Secretary of the Treasury shall have power, with the approval of the President, to make such rules and regulations as may be necessary for the execution of the functions vested in him by this subchapter, and may for such purpose require persons making shipment of valuables or making claims for replacement to make such declarations or to furnish him with such other information as he may deem necessary. (July 8, 1937, ch. 444, § 6, 50 Stat. 480.)

§ 134f. Definitions.—For the purposes of sections 134-134h of this title and sections 528 and 738a of Title 31—

(a) The term “valuables” means any articles or things or representatives of value in which the United States has any interest, or in connection with which it has any obligation or responsibility, direct or indirect, and which are declared to be valuables within the meaning of sections 134-134h of this title and sections 528 and 738a of Title 31 by the Secretary of the Treasury. No articles or things shall be declared to be valuables by the Secretary of the Treasury unless he determines that replacement thereof in accordance with the procedure established herein, in the event of loss, destruction, or damage in the course of shipment, would be in the public interest. The term “United States” as used in this subsection and in section 134b-2 means the United States, its executive departments, independent establishments, and agencies, including wholly owned corporations, and officers and employees of any of the foregoing while acting in their official capacity.

(b) The term “shipment” means the transportation, or the effecting of transportation, of valuables, without limitation as to the means or facilities used or by which the transportation, is effected or the person to whom it is made, and includes, but is not limited to, shipments made to any executive department, independent establishment, agency, wholly or partly owned corporation, officer, or employee of the United States, or any person acting on his or its behalf or at his or its direction;

(c) The term “wholly owned corporation” means any corporation, regardless of the law or laws under which it is incorporated, the capital of which is entirely owned, directly or indirectly, by the United States, and includes the duly authorized officers, employees, and agents thereof;

(d) The term “replacement” means payment, reimbursement, replacement, or duplication or the expenses incident thereto. (July 8, 1937, ch. 444, § 7, 50 Stat. 480; Aug. 10, 1939, ch. 665, § 3, 53 Stat. 1359.)

§ 134g. Short title.—Sections 134-134h of this title and sections 528 and 738a of Title 31 may be cited as the “Government Losses in Shipment Act.” (July 8, 1937, ch. 444, § 10, 50 Stat. 484.)

§ 134h. Effective date.—Sections 134-134h of this title and sections 528 and 738a of Title 31 shall become effective on July 1, 1937. (July 8, 1937, ch. 444, § 11, 50 Stat. 484.)

COORDINATION OF FEDERAL REPORTING SERVICES

§ 139. Declaration of Congressional policy.—It is hereby declared to be the policy of the Congress that information which may be needed by the various Federal agencies should be obtained with a minimum burden upon business enterprises (especially small business enterprises) and other persons required to furnish such information, and at a minimum cost to the Government, that all unnecessary duplication of efforts in obtaining such information through the use of reports, questionnaires, and other such methods should be eliminated as rapidly as practicable; and that information collected and tabulated by any Federal agency should insofar as is expedient be tabulated in a manner to maximize the usefulness of the information to other Federal agencies and the public. (Dec. 24, 1942, ch. 811, § 2, 56 Stat. 1078.)

SHORT TITLE

Section 1 of act Dec. 24, 1942, cited to text, provided: "This act may be cited as the 'Federal Reports Act of 1942'."

APPROPRIATIONS

Section 9 of act Dec. 24, 1942, cited to text, provided: "There are hereby authorized to be appropriated annually, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act (sections 139-139f of this title)."

§ 139a. Collection of information.—(a) **Duties of Director of the Bureau of the Budget.**—With a view to carrying out the policy of sections 139-139f of this title, the Director of the Bureau of the Budget (hereinafter referred to as the "Director") is directed from time to time (1) to investigate the needs of the various Federal agencies for information from business enterprises, from other persons, and from other Federal agencies; (2) to investigate the methods used by such agencies in obtaining such information; and (3) to coordinate as rapidly as possible the information-collecting services of all such agencies with a view of reducing the cost to the Government of obtaining such information and minimizing the burden upon business enterprises and other persons, and utilizing, as far as practicable, the continuing organization, files of information and existing facilities of the established Federal departments and independent agencies.

(b) **Designation of central collection agency.**—If, after any such investigation, the Director is of the opinion that the needs of two or more Federal agencies for information from business enterprises and other persons will be adequately served by a single collecting agency, he shall fix a time and place for a hearing at which the agencies concerned and any other interested persons shall have an opportunity to present their views. After such hearing, the Director may issue an order designating a collecting agency to obtain such information for any two or more of the agencies concerned, and prescribing (with reference to the collection of such information) the duties and functions of the

collecting agency so designated and the Federal agencies for which it is to act as agent. Any such order may be modified from time to time by the Director as circumstances may require, but no such modification shall be made except after investigation and hearing as hereinbefore provided.

(c) Independent collection by an agency as prohibited.—While any such order or modified order is in effect, no Federal agency covered by such order shall obtain for itself any information which it is the duty of the collecting agency designated by such order to obtain.

(d) Determination for necessity of information; hearing.—Upon the request of any party having a substantial interest, or upon his own motion, the Director is authorized within his discretion to make a determination as to whether or not the collection of any information by any Federal agency is necessary for the proper performance of the functions of such agency or for any other proper purpose. Before making any such determination, the Director may, within his discretion, give to such agency and to other interested persons an adequate opportunity to be heard or to submit statements in writing. To the extent, if any, that the Director determines the collection of such information by such agency is unnecessary, either because it is not needed for the proper performance of the functions of such agency or because it can be obtained from another Federal agency or for any other reason, such agency shall not thereafter engage in the collection of such information.

(e) Cooperation of agencies in making information available.—For the purposes of sections 139-139f of this title, the Director is authorized to require any Federal agency to make available to any other Federal agency any information which it has obtained from any person after December 24, 1942, and all such agencies are directed to cooperate to the fullest practicable extent at all times in making such information available to other such agencies: *Provided*, That the provisions of sections 139-139f of this title shall not apply to the obtaining or releasing of information by the Bureau of Internal Revenue, the Comptroller of the Currency, the Bureau of the Public Debt, the Bureau of Accounts, and the Division of Foreign Funds Control of the Treasury Department: *Provided further*, That the provisions of sections 139-139f of this title shall not apply to the obtaining by any Federal bank supervisory agency of reports and information from banks as provided or authorized by law and in the proper performance of such agency's functions in its supervisory capacity. (Dec. 24, 1942, ch. 811, § 3, 56 Stat. 1078.)

§ 139b. Unlawful disclosure of information; penalties; release of information to other agencies.—(a) In the event that any information obtained in confidence by a Federal agency is released by that agency to another Federal agency, all the provisions of law (including penalties) which relate to the unlawful disclosure of any such information shall apply to the officers and employees of the agency to which such information is released to the same extent and in the same manner as such provisions apply to the officers and employees of the agency which originally obtained

such information; and the officers and employees of the agency to which the information is released shall in addition be subject to the same provisions of law (including penalties) relating to the unlawful disclosure of such information as if the information had been collected directly by such agency.

(b) Information obtained by a Federal agency from any person or persons may, pursuant to sections 139-139f of this title, be released to any other Federal agency only if (1) the information shall be released in the form of statistical totals or summaries; or (2) the information as supplied by persons to a Federal agency shall not, at the time of collection, have been declared by that agency or by any superior authority to be confidential; or (3) the persons supplying the information shall consent to the release of it to a second agency by the agency to which the information was originally supplied; or (4) the Federal agency to which another Federal agency shall release the information has authority to collect the information itself and such authority is supported by legal provision for criminal penalties against persons failing to supply such information. (Dec. 24, 1942, ch. 811, § 4, 56 Stat. 1079.)

§ 139c. Plans or forms for collecting information; submission to Director; approval.—No Federal agency shall conduct or sponsor the collection of information, upon identical items, from ten to ¹ more persons (other than Federal employees considered as such) unless, in advance of adoption or revision of any plans or forms to be used in such collection,

(a) The agency shall have submitted to the Director such plans or forms, together with copies of such pertinent regulations and other related materials as the Director shall specify; and

(b) The Director shall have stated that he does not disapprove the proposed collection of information. (Dec. 24, 1942, ch. 811, § 5, 56 Stat. 1079.)

§ 139d. Rules and regulations.—The Director is authorized to make such rules and regulations as may be necessary to carry out the provisions of sections 139-139f of this title. (Dec. 24, 1942, ch. 811, § 6, 56 Stat. 1079.)

§ 139e. Definitions.—As used in sections 139-139f of this title—

(a) The term “Federal agency” means any executive department, commission, independent establishment, corporation owned or controlled by the United States, board, bureau, division, service, office, authority, or administration in the executive branch of the Government; but such terms shall not include the General Accounting Office nor the governments of the District of Columbia and of the Territories and possessions of the United States, and the various subdivisions of such governments.

(b) The term “person” means any individual, partnership, association, corporation, business trust, or legal representative, any organized group of persons, any State or Territorial government or branch thereof, or any political subdivision of any State or Territory or any branch of any such political subdivision.

¹ So in original. Probably should read “or”.

(c) The term "information" means facts obtained or solicited by the use of written report forms, application forms, schedules, questionnaires, or other similar methods calling either (1) for answers to identical questions from ten or more persons other than¹ agencies, instrumentalities, or employees of the United States or (2) for answers to questions from agencies, instrumentalities, or employees of the United States which are to be used for statistical compilations of general public interest. (Dec. 24, 1942, ch. 811, § 7, 56 Stat. 1079.)

§ 139f. Penalty for failure to furnish information.—Any person failing to furnish information required by any such agency shall be subject to such penalties as are specifically prescribed by law, and no other penalty shall be imposed either by way of fine or imprisonment or by the withdrawal or denial of any right, privilege, priority, allotment, or immunity, except when the right privilege, priority, allotment, or immunity, is legally conditioned on facts which would be revealed by the information requested. (Dec. 24, 1942, ch. 811, § 8, 56 Stat. 1080.)

DEPARTMENT OF TREASURY

§ 256. Commencement of fiscal year.—The fiscal year of the Treasury of the United States in all matters of accounts, receipts, expenditures, estimates, and appropriations, except accounts of the Sergeant at Arms of the House of Representatives for compensation and mileage of Members and Delegates, shall commence on the first day of July in each year; and all accounts of receipts and expenditures required by law to be published annually shall be prepared and published for the fiscal year, as thus established. (R. S. § 237; Oct. 1, 1890, ch. 1256, § 9, 26 Stat. 646.)

DERIVATION

Act Aug. 26, 1842, ch. 207, §§ 1, 2, 5 Stat. 536; act May 8, 1872, ch. 139, § 1, 17 Stat. 61; act Mar. 3, 1873, ch. 226, § 1, 17 Stat. 486.

§ 267. Reports of Secretary of Treasury; officers delinquent in rendering accounts.—The Secretary of the Treasury shall, on the first Monday of January in each year, make report to Congress of such officers and administrative departments and offices of the Government as were, respectively, at any time during the last preceding fiscal year delinquent in rendering or transmitting accounts to the proper offices in Washington and the cause therefor, and in each case indicating whether the delinquency was waived, together with such officers, including postmasters and officers of the Post Office Department, as were found upon final settlement of their accounts to have been indebted to the Government, with the amount of such indebtedness in each case, and who, at the date of making report, had failed to pay the same into the Treasury of the United States. (July 31, 1894, ch. 174, § 12, 28 Stat. 209; May 28, 1896, ch. 252, § 4, 29 Stat. 179.)

DEPARTMENT OF JUSTICE

§ 304. Opinions and advice of Attorney General; to heads of executive departments.—The head of any executive department

¹ So in original. Probably should read "than".

may require the opinion of the Attorney General on any questions of law arising in the administration of his department. (R. S. § 356.)

DERIVATION

Act June 22, 1870, ch. 150, § 6, 16 Stat. 163.

§ 306. Legal services for Departments.—The officers of the Department of Justice, under the direction of the Attorney General, shall give all opinions and render all services requiring the skill of persons learned in the law necessary to enable the President and heads of departments, and the heads of bureaus and other officers in the departments, to discharge their respective duties; and shall, on behalf of the United States, procure the proper evidence for, and conduct, prosecute, or defend all suits and proceedings in the Supreme Court and in the Court of Claims, in which the United States, or any officer thereof, as such officer, is a party or may be interested; and no fees shall be allowed or paid to any other attorney or counselor at law for any service herein required of the officers of the Department of Justice, except in the cases provided by section 312 of this title. (R. S. § 361.)

DERIVATION

Act June 22, 1870, ch. 150, § 14, 16 Stat. 164.

CROSS REFERENCE

Solicitor to supervise legal work in the Department of Agriculture, see section 518, this title.

§ 313. Attendance of counsel—Whenever the head of a department or bureau gives the Attorney General due notice that the interests of the United States require the service of counsel upon the examination of witnesses touching any claim, or upon the legal investigation of any claim, pending in such department or bureau, the Attorney General shall provide for such service. (R. S. § 364.)

DERIVATION

Act Feb. 14, 1871, ch. 51, 16 Stat. 412.

§ 314. Counsel fees restricted.—No compensation shall be allowed to any persons, besides the respective district attorneys and assistant district attorneys, for services as an attorney or counselor to the United States, or to any branch or department of the Government thereof, except in cases specially authorized by law, and then only on the certificate of the Attorney General that such services were actually rendered, and that the same could not be performed by the Attorney General, or Solicitor General, or the officers of the Department of Justice, or by the district attorneys. (R. S. § 365.)

DERIVATION

Act June 22, 1870, ch. 150, § 17, 16 Stat. 164.

§ 315. Appointment and oath of special attorneys or counsel.—Every attorney or counselor who is specially retained, under the authority of the Department of Justice, to assist in the trial of any case in which the Government is interested, shall receive a commission from the head of such department, as a special

assistant to the Attorney General, or to some one of the district attorneys or as a special attorney, as the nature of the appointment may require; and shall take the oath required by law to be taken by the district attorneys, and shall be subject to all the liabilities imposed upon them by law. Foreign counsel employed by the Attorney General in special cases shall not be required to take the oath required by this section. (R. S. § 336; Apr. 17, 1930, ch. 174, 46 Stat. 170.)

DERIVATION

Act June 22, 1870, ch. 150, § 17, 16 Stat. 164.

CODIFICATION

The first sentence of this section is section 366 of the Revised Statutes, which was derived from the act of June 22, 1870, ch. 150, § 17, 16 Stat. 164.

The last sentence is part of act Feb. 27, 1925, ch. 364, title II, 43 Stat. 1029, which is repeated in acts Apr. 29, 1926, ch. 195, title II, 44 Stat. 346; Feb. 24, 1927, ch. 189, title II, 44 Stat. 1196; Feb. 15, 1928, ch. 57, title II, 45 Stat. 80; Jan. 29, 1929, ch. 102, title II, 45 Stat. 1111.

DEPARTMENT OF AGRICULTURE

§ 511. Establishment of Department.—There shall be at the seat of government a Department of Agriculture, the general design and duties of which shall be to acquire and to diffuse among the people of the United States useful information on subjects connected with agriculture, in the most general and comprehensive sense of that word, and to procure, propagate, and distribute among the people new and valuable seeds and plants. (R. S. § 520.)

DERIVATION

Act May 15, 1862, ch. 72, § 2, 12 Stat. 387.

§ 512. Executive Department; Secretary.—The Department of Agriculture shall be an executive department, under the supervision and control of a Secretary of Agriculture, who shall be appointed by the President, by and with the advice and consent of the Senate. The provisions of sections 1-9, 22-26, 33, 38, 43, 44, 48, 49, 51, 91, 93-96, 99, 102, 104, 106, 107 of this title shall be applicable to said department; and all laws and parts of laws relating to the Department of Agriculture in existence February 9, 1889, as far as the same are applicable and not in conflict with said sections, and only so far, are continued in full force and effect. (Feb. 9, 1889, ch. 122, §§ 1, 4, 25 Stat. 659.)

§ 513. Seal.—The Secretary of Agriculture is authorized and directed to procure a proper seal, with such suitable inscriptions and devices as he may approve, to be known as the official seal of the Department of Agriculture, and to be kept and used to verify official documents, under such rules and regulations as he may prescribe. (Aug. 8, 1894, ch. 238, 28 Stat. 272.)

§ 514. General duties of Secretary.—The Secretary of Agriculture shall procure and preserve all information concerning agriculture which he can obtain by means of books and correspondence, and by practical and scientific experiments, accurate records of which experiments shall be kept in his office, by the collection of statistics, and by any other appropriate means within his power; he shall collect new and valuable seeds and plants; shall test, by

cultivation, the value of such of them as may require such tests; shall propagate such as may be worthy of propagation; and shall distribute them among agriculturists. (R. S. § 526.)

DERIVATION

Act May 15, 1862, ch. 72, § 3, 12 Stat. 387.

TRANSFER OF DUTIES

Functions of Secretary of Agriculture relating to conservation of wildlife, game, and migratory birds were transferred to Secretary of the Interior by Reorganization Plan No. II, § 4 (f), 4 Fed. Reg. 2731, 53 Stat. 1433, set out in note under section 133t of Title 5, Executive Departments and Government Officers and Employees.

§ 514a. Under Secretary of Agriculture; salary.—There is hereby established in the Department of Agriculture the position of Under Secretary of Agriculture, to be appointed by the President, by and with the advice and consent of the Senate, and whose compensation shall be at the rate of \$10,000 per annum. (Mar. 26, 1934, ch. 89, title I, 48 Stat. 467.)

§ 514b. Same; duties.—The Under Secretary of Agriculture is authorized to exercise the functions and perform the duties of the first assistant of the Secretary of Agriculture within the meaning of section 4 of this title and shall perform such other duties as may be required by law or prescribed by the Secretary of Agriculture. (June 5, 1939, ch. 181, 53 Stat. 809.)

§ 514c. Delegation to Director of Finance or other officer of power to sign requisitions.—The Secretary of Agriculture may designate in writing the Director of Finance of the Department of Agriculture or, in his absence, the officer acting in his stead, to sign requisitions upon the Secretary of the Treasury for disbursing funds, and such requisitions shall be as valid as if they had been signed by the Secretary of Agriculture. (Aug. 11, 1939, ch. 700, 53 Stat. 1417.)

§ 514d. Delegation of specific powers.—The Secretary of Agriculture is authorized to delegate to such officers as he shall designate the authority to expend such contingent funds as may be appropriated to the Department.

The Secretary of Agriculture may delegate to such officers as he shall designate the authority to employ personnel in the departmental service wherever located.

The Secretary of Agriculture may delegate to such officers as he shall designate the function of authorizing payment of expenses of the transfer of household goods of employees on change of official stations. (Sept. 21, 1944, ch. 412, title VII, §§ 705, 709, 710, 58 Stat. 742, 743.)

CODIFICATION

Section is composed of sections 705 (a), 709, and 710 of act Sept. 21, 1944, cited to text.

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

§ 515. Duties of former Commissioner of Agriculture transferred to Secretary.—The Secretary of Agriculture is authorized and directed to perform all the duties named in all Acts of Congress in

force on February 8, 1889, to be performed by the Commissioner of Agriculture. (Mar. 2, 1889, ch. 373, 25 Stat. 840; July 14, 1890, ch. 707, 26 Stat. 288.)

§ 516. Custody of property and records.—The Secretary of Agriculture shall have charge, in the building and premises appropriated to the department, of the library, furniture, fixtures, records, and other property appertaining to it, or acquired for use in its business (R. S. § 525.)

DERIVATION

Act May 15, 1862, ch. 72, § 3, 12 Stat. 387; Res. Dec. 15, 1868, No. 1, 15 Stat. 343.

TRANSFER OF FUNCTIONS

Libraries administered by agencies and units of Department of Agriculture consolidated for duration of war, see Ex. Ord. No. 9069, set out in note under section 601 of Appendix to Title 50, War.

§516a. Delegation of regulatory functions of Secretary of Agriculture; definitions.—As used in sections 516a-516e of this title.

(a) The term "regulatory order" means an order, marketing agreement, standard, permit, license, registration, suspension or revocation of a permit, license, or registration, certificate, award, rule, or regulation, if it has the force and effect of law, and if it may be made, prescribed, issued, or promulgated only after notice and hearing or opportunity for hearing have been given.

(b) The term "regulatory function" means the making, prescribing, issuing, or promulgating, of a regulatory order; and includes (1) determining whether such making, prescribing, issuing, or promulgating is authorized or required by law, and (2) any action which is required or authorized to be performed before, after, or in connection with, such determining, making, prescribing, issuing, or promulgating. (Apr. 4, 1940, ch. 75, § 1, 54 Stat. 81.)

§ 516b. Delegation of regulatory functions to designated employees; status of employees; number; revocation of delegation.—Whenever the Secretary of Agriculture deems that the delegation of the whole or any part of any regulatory function which the Secretary is, now or hereafter, required or authorized to perform will result in the more expeditious discharge of the duties of the Department of Agriculture, he is authorized to make such delegation to any officer or employee designated under this section. The Secretary is authorized to designate officers or employees of the Department to whom functions may be delegated under this section and to assign appropriate titles to such officers or employees. The position held by any officer or employee while he is designated under this section, and vested with a regulatory function or part thereof delegated under this section, shall be allocated to a grade, not lower than grade 7, in the professional and scientific service provided for by sections 661-663, 664-673 and 674 of this title, or to a grade, not lower than grade 14, in the clerical, administrative, and fiscal service provided for by such sections. There shall not be in the Department at any one time more than two officers or employees designated under this section and vested with a regulatory function or part thereof delegated under this

section. The Secretary may at any time revoke the whole or any part of a delegation or designation made by him under this section. (Apr. 4, 1940, ch. 75, § 2, 54 Stat. 81.)

§ 516c. Authority of designated employees; retroactive revocation of delegation.—Whenever a delegation is made under section 516b of this title, all provisions of law shall be construed as if the regulatory function or the part thereof delegated had (to the extent of the delegation) been vested by law in the individual to whom the delegation is made, instead of in the Secretary of Agriculture. A revocation of delegation shall not be retroactive, and each regulatory function or part thereof performed (within the scope of the delegation) by such individual prior to the revocation shall be considered as having been performed by the Secretary. (Apr. 4, 1940, ch. 75, § 3, 54 Stat. 82.)

§ 516d. Delegation of functions under other laws as unaffected.—The provisions of section 516b of this title shall not be deemed to prohibit the delegation, under authority of any other provision of law, of the whole or any part of any regulatory function or other function to any officer or employee of the Department of Agriculture. (Apr. 4, 1940, ch. 75, § 4, 54 Stat. 82.)

§ 516e. Appropriation.—There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of sections 516a-516e of this title. (Apr. 4, 1940, ch. 75, § 5, 54 Stat. 82.)

§ 517. Assistant Secretary.—There shall be in the Department of Agriculture an Assistant Secretary of Agriculture, to be appointed by the President, by and with the advice and consent of the Senate, who shall perform such duties as may be required by law or prescribed by the Secretary. The Assistant Secretary of Agriculture is authorized to perform such duties in the conduct of the business of the Department of Agriculture as may be assigned by the Secretary of Agriculture. (Feb. 9, 1889, ch. 122, § 2, 25 Stat. 659; June 30, 1906, ch. 3913, 34 Stat. 670.)

TEMPORARY ASSISTANT SECRETARIES

The appointment of two additional assistant secretaries for the duration of the national emergency created by the war between this country and Germany in 1917 was authorized by act Aug. 10, 1917, ch. 52, § 5, 40 Stat. 274.

§ 518. Solicitor to supervise legal work.—The legal work of the Department of Agriculture shall be performed under the supervision and direction of the solicitor (May 26, 1910, ch. 256, 36 Stat. 416.)

§ 519. Chief clerk.—The Secretary of Agriculture shall appoint a chief clerk. (R. S. § 523; Feb. 10, 1925, ch. 200, 43 Stat. 822.)

DERIVATION

Act May 15, 1862, ch. 72, § 4, 12 Stat. 388.

§ 520. Same; bond.—The chief clerk, before entering upon his duties, shall give bond to the Treasurer of the United States, in the sum of five thousand dollars, conditioned to render a true and faithful account to the Treasurer quarter-yearly of all moneys which shall be by him received by virtue of his office, with sureties

to be approved by the General Counsel for the Department of the Treasury. Such bond shall be filed in the office of the Secretary of the Treasury, to be by him put in suit upon any breach of the conditions thereof. (R. S. § 524; Mar. 2, 1895, ch. 177, § 5, 28 Stat. 807; May 10, 1934, ch. 277, § 512 (b), 48 Stat 759.)

DERIVATION

Act May 15, 1862, ch. 72, § 4, 12 Stat. 388.

§ 520a. **Stenographic reporting service.**—The Department of Agriculture is authorized to contract for stenographic reporting services. (Sept. 21, 1944, ch. 412, title VII, § 705 (b), 58 Stat. 742.)

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

§ 521. **Oaths, affirmations, and affidavits taken by officers, agents, or employees of Department; use and effect.**—Such officers, agents, or employees of the Department of Agriculture of the United States as are designated by the Secretary of Agriculture for the purpose are authorized and empowered to administer to or take from any person an oath, affirmation, or affidavit whenever such oath, affirmation, or affidavit is for use in any prosecution or proceeding under or in the enforcement of any law committed to or which may be committed to the Secretary of Agriculture or the Department of Agriculture or any bureau or subdivision thereof for administration. Any such oath, affirmation, or affidavit administered or taken by or before such officer, agent, or employee when certified under his hand and authenticated by the seal of the Department of Agriculture may be offered or used in any court of the United States and shall have like force and effect as if administered or taken before a clerk of such court without further proof of the identity or authority of such officer, agent, or employee. (Jan. 31, 1925, ch. 124, § 1, 43 Stat. 803.)

§ 522. **Same; fee for administering or taking.**—No officer, agent, or employee of the Department of Agriculture shall demand or accept any fee or compensation whatsoever for administering or taking any oath, affirmation, or affidavit under the authority conferred by sections 17 and 521 of this title. (Jan. 31, 1925, ch. 124, § 2, 43 Stat. 803.)

§ 524. **Bureaus; laws relating to Plant Industry.**—All statutes existing June 3, 1902, relating to the Division of Soils, reorganized into the Bureau of Soils; the Division of Forestry, reorganized into the Bureau of Forestry; the Division of Chemistry, reorganized into the Bureau of Chemistry; and the Division of Botany, the Division of Pomology, the Division of Vegetable Physiology and Pathology, the Division of Agrostology and Experimental Gardens and Grounds, reorganized into the Bureau of Plant Industry, not otherwise repealed, shall remain in effect as applying to the respective bureaus into which the divisions named have been reorganized. (June 3, 1902, ch. 985, 32 Stat. 303.)

TRANSFER OF FUNCTIONS

Bureau of Chemistry and the Bureau of Soils were consolidated to form the Bureau of Chemistry and Soils by act Jan. 18, 1927, 44 Stat. 991. Said Bureau of Chemistry and Soils was subsequently consolidated with the Bureau of Agricultural Engineering to form the Bureau of Agricultural Chemistry and Engineering. Memorandum of the Secretary of Agriculture No. 789, dated Oct. 6, 1938.

Disease control and eradication work of the Bureau of Plant Industry was consolidated in the Bureau of Entomology and Plant Quarantine by act Mar. 26, 1934, ch. 89, 48 Stat. 486. The latter bureau was organized by this same act as a result of the consolidation of the Bureaus of Entomology and Plant Quarantine.

Fruit and Vegetable Utilization Investigation transferred from Bureau of Plant Industry to Bureau of Chemistry and Soils by Insecticide and Fungicide Investigation was transferred from Bureau of Chemistry and Soils to Bureau of Entomology and Plant Quarantine by act May 17, 1935, ch. 131, 49 Stat. 268.

Soil fertility and soil microbiology work was transferred from Bureau of Chemistry and Soils to Bureau of Plant Industry by act May 17, 1935, ch. 131, 49 Stat. 258.

Wartime consolidation of certain agencies, see note under section 601 of Appendix to Title 50, War.

§ 527. Appointments, promotions, and changes in salaries.—The Secretary of Agriculture is authorized to make such appointments, promotions, and changes in salaries, to be paid out of the lump funds of the several bureaus, divisions, and offices of the department as may be for the best interests of the service. (Mar. 4, 1907, ch. 2907, 34 Stat. 1280.)

CROSS REFERENCE

Civil service laws as affecting appointments, promotions, and changes in salaries, see section 661 et seq. of this title.

§ 528. Salaries; how paid.—The Secretary of Agriculture is authorized and directed to pay the salary of each employee from the roll of the bureau, independent division, or office in which the employee is working, and no other. (Mar. 4, 1907, ch. 2907, 34 Stat. 1280.)

§ 529. Assignment of pay.—The Secretary of Agriculture is authorized to permit employees of the Department of Agriculture to make assignments of their pay, under such regulations as he may prescribe, during such time as they may be in the employ of the said department. (Mar. 4, 1909, ch. 301, 35 Stat. 1057.)

§ 530. Details; employees from office of Secretary.—Details may be made from or to the office of the Secretary when necessary and the services of the person whom it is proposed to detail are not required in that office. (Mar. 4, 1907, ch. 2907, 34 Stat. 1280.)

§ 531. Same; law clerks.—Law clerks may be detailed by the Secretary of Agriculture for service in or out of Washington. (Mar. 4, 1911, ch. 238, 36 Stat. 1236.)

§ 532. Same; from and to library and bureaus and offices.—Employees of the library may be temporarily detailed by the Secretary of Agriculture for library service in the bureaus and offices of the department, and employees of the bureaus and offices of the department engaged in library work may also be temporarily detailed to the library. (Mar. 4, 1911, ch. 238, 36 Stat. 1261.)

TRANSFER OF FUNCTIONS

Libraries administered by agencies and units of Department of Agriculture consolidated for duration of war, see Ex. Ord. No. 9069, set out in note under section 601 of Appendix to Title 50, War.

§ 535. Leave of absence; employees in Alaska, Hawaii, Puerto Rico, and Guam.—Employees of the Department of Agriculture assigned to permanent duty in Alaska, Hawaii, Puerto Rico, and Guam may, in the discretion of the Secretary of Agriculture, without additional expense to the Government, be granted leave or absence not to exceed thirty days in any one year, which leave may, in exceptional and meritorious cases where an employee is ill, be extended, in the discretion of the Secretary of Agriculture, not to exceed thirty days additional in any one year. (June 30, 1914, ch. 131, 38 Stat. 441; May 17, 1932, ch. 190, 47 Stat. 158.)

§ 536. Same; employees assigned to duty in Virgin Islands.—Employees of the Department of Agriculture assigned to permanent duty in the Virgin Islands shall be entitled to the same privileges as to leave of absence as are conferred upon employees assigned to Alaska, Hawaii, Puerto Rico, and Guam by section 535 of this title, and if any employee of the agricultural experiment stations of the United States in Alaska, Hawaii, Puerto Rico, Guam, or the Virgin Islands shall elect to postpone the taking of any or all of the annual leave to which he may be entitled under said section 535, he may, in the discretion of the Secretary of Agriculture, subject to the interests of the public service, be allowed to take at one time unused annual leave which may have accumulated within not to exceed four years, and be paid at the rate prevailing during the year such leave of absence has accumulated. (July 24, 1919; ch. 26, 41 Stat. 262; May 17, 1932, ch. 190, 47 Stat. 158.)

§ 538. Traveling expenses.—The Secretary of Agriculture is authorized to purchase from appropriations made for traveling expenses for employees of the Department of Agriculture, mileage and mileage books, at commercial rates, in the manner in which such mileage or mileage books are usually purchased. (Mar. 4, 1907, ch. 2907, 34 Stat. 1281.)

REPEAL

Insofar as the provisions of this section relating to subsistence may conflict with those of sections 821-833 of this title they were repealed by section 829 of this title.

§ 539. Same; on transfer between stations.—Officers and employees of the Department of Agriculture transferred from one official station to another for permanent duty, when authorized by the Secretary of Agriculture, may be allowed actual traveling expenses, including charges for the transfer of their effects and personal property used in official work, under such rules and regulations as may be prescribed by the Secretary of Agriculture. (Mar. 4, 1911, ch. 238, 36 Stat. 1265.)

REPEAL

Insofar as the provisions of this section relating to subsistence may conflict with those of sections 821-833 of this title they were repealed by section 829 of this title.

§ 540. Same; per diem in lieu of subsistence, etc.—When officials and employees of the Department of Agriculture are traveling on official business in the United States, they may be allowed necessary railroad and steamboat fares, sleeping berth, and state-room on steamboats, livery hire and stage fare, and other means of conveyance between points not accessible by railroad, but in lieu of subsistence and all other traveling expenses they may receive a per diem allowance, to be fixed by the Secretary in each case, in addition to their regular salaries, subject to such rules and regulations as the Secretary of Agriculture may prescribe. (Aug. 10, 1912, ch. 284, 37 Stat. 300.)

REPEAL

Insofar as the provisions of this section relating to subsistence may conflict with those of sections 821-833 of this title they were repealed by section 829 of this title.

Per diem in lieu of subsistence to government employees engaged in field work or traveling on official business, see sections 75 and 823 of this title.

§ 541. Same; reimbursement for street-car fares.—Officials and employees of the Department of Agriculture may, when authorized by the Secretary of Agriculture, receive reimbursement for moneys expended for street-car fares at their official headquarters when expended in the transaction of official business. (Aug. 10, 1912, ch. 284, 37 Stat. 300.)

REPEAL

Insofar as the provisions of this section relating to subsistence may conflict with those of sections 821-833 of this title they were repealed by section 829 of this title.

§ 541a. Mileage allowance to officers and employees using privately owned vehicles.—Officers and employees of the Department of Agriculture who, under proper authorization, use privately owned motor vehicles in the performance of official travel within the corporate limits of their official stations for the purpose of inspecting and grading farm and food products and the supervision thereof at points located within the said corporate limits may be reimbursed for such travel at a rate not to exceed 3 cents per mile. (Sept. 21, 1944, ch. 412, title IV, § 401 (d), 58 Stat. 738.)

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

§ 541b. Expenses of persons serving in an advisory capacity.—The Department of Agriculture is authorized to pay actual transportation and other necessary expenses and not to exceed \$10 per diem in lieu of subsistence of persons serving, while away from their homes, without other compensation from the United States, in an advisory capacity to the Department of Agriculture: *Provided*, That such expenditures shall not be made unless provision is made therefor in the applicable appropriation and the cost thereof is not in excess of limitations prescribed therein. (Sept. 21, 1944, ch. 412, title VII, § 706 (b), 58 Stat. 742.)

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

§ 542. Purchases for bureaus from appropriations for contingent expenses.—The Secretary of Agriculture may purchase stationery, supplies, furniture, and miscellaneous materials from this appropriation for contingent expenses and transfer the same at actual cost to the various bureaus, divisions, and offices of the Department of Agriculture in the city of Washington, reimbursement therefor to be made to such appropriation by said bureaus, divisions, and offices from their lump-fund appropriations by transfer settlements through the Treasury Department. (Aug. 10, 1912, ch. 284, 37 Stat. 296.)

CROSS REFERENCES

General Accounting Office to exercise some of functions formerly exercised by Treasury Department, see section 41 et seq. of Title 31, Money and Finance.

Procurement Division under a Director of Procurement to direct procurement, warehousing, or distribution for all agencies, see Ex. Ord. No. 6166, § 1, June 10, 1933, set out in note to section 132 of this title.

§ 542-1. Working capital fund established; use of central services by bureaus, etc., of the Department.—A working capital fund of \$400,000 is established without fiscal year limitation, for the payment of salaries and other expenses necessary to the maintenance and operation of (1) central duplicating, photographic, and tabulating services, (2) a central motor-transport service for the maintenance, repair, and operation of motor-transport vehicles and other equipment, (3) a central supply service for the purchase, storage, handling, issuance, packing, or shipping of stationery, supplies, equipment, blank forms, and miscellaneous materials, for which stock thereof, not to exceed \$200,000 in value (except for the value of blank forms) at the close of any fiscal year, may be maintained sufficient to meet, in whole or in part, requirements of the bureaus and offices of the Department in the city of Washington and elsewhere, and (4) such other services as the Secretary, with the approval of the Director of the Bureau of the Budget, determines may be performed more advantageously as central services; said fund to be reimbursed from applicable funds of bureaus, offices, and agencies for which services are performed on the basis of rates which shall include estimated or actual charges for personal services, materials, equipment (including maintenance, repairs, and depreciation) and other expenses: *Provided*, That such central services shall, to the fullest extent practicable, be used to make unnecessary the maintenance of separate like services in the bureaus, offices, and agencies of the department. (July 12, 1943, ch. 215, § 1, 57 Stat. 393.)

CROSS REFERENCE

Schedule of expenditures of working capital fund, see section 558, this title.

§ 542a. Use of field work funds for employment of men with equipment, etc.—Funds available for field work in the Department

of Agriculture shall be available for employment by contract or otherwise of men with equipment, boats, work animals, animal-drawn, and motor-propelled vehicles. (June 4, 1936, ch. 489, 49 Stat. 1422.)

§ 542b. Use of field work funds for purchase of arms and ammunition.—Funds available for field work in the Department of Agriculture may be used for the purchase of arms and ammunition whenever the individual purchase does not exceed \$50, and for the individual purchase exceeding \$50, when such arms and ammunition cannot advantageously be supplied by the Secretary of War pursuant to section 61 of Title 50. (June 4, 1936, ch. 489, 49 Stat. 1422.)

§ 543. Reimbursement of appropriation for salaries and compensation of employees in mechanical shops.—The Secretary of Agriculture may, by transfer settlements through the General Accounting Office, reimburse any appropriation made for the salaries and compensation of employees in the mechanical shops of the department from the appropriation made for the bureau, office, or division for which any work in said shops is performed, and such reimbursement shall be at the actual cost of labor for such work. (May 11, 1922, ch. 185, 42 Stat. 508.)

TRANSFER OF FUNCTIONS

The function of disbursement of moneys of the United States exercised by any agency except War Department, Navy Department, and Panama Canal was transferred to the Treasury Department and together with the office of Disbursing Clerk of that Department, was consolidated in a Division of Disbursement at the head of which is a Chief Disbursing Officer. See Executive Order No. 6166, § 4, and Executive Order No. 6728 set out in note to section 132 of this title.

Division of Disbursement and certain other offices and agencies and their functions were consolidated into Fiscal Service of Treasury Department by Reorganization Plan No. III, § 1 (a), effective June 30, 1940, set out in note under section 133t of this title.

§ 543a. Employees in Alaska; subsistence, equipment, and supplies.—The Secretary of Agriculture is authorized to furnish subsistence to employees of the United States Department of Agriculture in the Territory of Alaska, and to purchase personal equipment and supplies for them, and to make deductions to meet the cost thereof from any money appropriated for salary payments or otherwise due such employees. (Feb. 16, 1931, ch. 200, 46 Stat. 1162.)

REPEAL

Insofar as the provisions of this section relating to subsistence may conflict with those of sections 821-833 of this title they were repealed by section 829 of this title.

§ 543b. Official expenses of employees stationed abroad.—Employees of the Department of Agriculture stationed abroad may, with the approval of the Secretary of Agriculture, enter into leases for official quarters, for periods not exceeding one year, and may pay rent, telephone, subscriptions to publications, and other charges incident to the conduct of their offices and the discharge of their duties, in advance, in any foreign country where custom or practice requires payment in advance. (Sept. 21, 1944, ch. 412, title VII, § 705 (c), 58 Stat. 742.)

AMENDMENTS

1943—Act July 12, 1943, cited to text, substituted “secretary” for “Secretary of Agriculture” and “Department” for “Department of Agriculture.”

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

§ 544. Sale of waste paper.—The Secretary of Agriculture is authorized to sell as waste paper, or otherwise to dispose of the accumulation of department files which do not constitute permanent records, and all other documents and publications which have become obsolete or worthless. (Mar. 4, 1907, ch. 2907, 34 Stat. 1281.)

§ 545. Exchange of typewriters and computing machines.—The Secretary of Agriculture may exchange typewriters and computing, addressing, and duplicating machines purchased from any lump-fund appropriation of the Department of Agriculture. (Aug. 10, 1912, ch. 284, 37 Stat. 296.)

§ 546. Exchange of scientific apparatus and laboratory equipment.—The Secretary of Agriculture may exchange general scientific apparatus and laboratory equipment purchased from any appropriation of the Department of Agriculture. (June 30, 1914, ch. 131, 38 Stat. 441.)

§ 547. Exchange of motor-propelled vehicles.—In purchasing motor-propelled or animal-drawn vehicles or tractors, or road, agricultural, manufacturing, or laboratory equipment, or boats, or parts, accessories, tires, or equipment thereof, the head of any executive department or independent establishment or his duly authorized representative may exchange or sell similar items and apply the exchange allowances or proceeds of sales in such cases in whole or in part payment therefor: *Provided*, That any transaction carried out under the authority of this section shall be evidenced in writing. (May 3, 1945, Title II, § 204, Pub. Law. 49, 79th Cong.)

§ 548. Exchange of books.—The Secretary of Agriculture may exchange books and periodicals of the library not needed for permanent use for other books and periodicals. (Mar. 4, 1915, ch. 144, 38 Stat. 1107.)

TRANSFER OF FUNCTIONS

Libraries administered by agencies and units of Department of Agriculture consolidated for duration of war, see Ex. Ord. No. 9069, set out in note under section 601 of Appendix to Title 50, War.

§ 549. Sale or exchange of animals or animal products.—The Secretary of Agriculture is authorized to sell in the open market or to exchange for other livestock such animals or animal products as cease to be needed in the work of the department, and all moneys received from the sale of such animals or animal products or as a bonus in the exchange of the same shall be deposited in the Treasury of the United States as miscellaneous receipts. (Mar. 4, 1915, ch. 144, 38 Stat. 1114.)

CROSS REFERENCE

Sale or exchange of animals not needed, see section 392 of Title 7, Agriculture.

§ 550. American bison for municipalities or public institutions.—The Secretary of Agriculture may, in his discretion and under such conditions as he may prescribe, supply to any municipality or public institution not more than one American bison from any surplus which may exist in any herd under the control of the Department of Agriculture; and, in order to aid in the propagation of the species, animals may be loaned to or exchanged with other owners of American bison. (July 24, 1919, ch. 26, 41 Stat. 270.)

§ 551. Sale of copies of card index of publications.—The Secretary of Agriculture may furnish to such institutions or individuals as may care to buy them, copies of the card index of the publications of the department and of other agricultural literature prepared by the library, and charge for the same a price covering the additional expense involved in the preparation of these copies. He may furnish to such institutions or individuals as may care to buy them copies of the card index of agricultural literature prepared by the Office of Experiment Stations, and charge for the same a price covering the additional expense involved in the preparation of these copies, the money received from such sales to be deposited in the Treasury of the United States as miscellaneous receipts. He may furnish to such institutions or individuals as may care to buy them copies of the card index of agricultural literature prepared by the Department of Agriculture in connection with its administration of sections 362, 363, 366, 368, 369, and 371 of Title 7, and charge for the same a price covering the additional expenses involved in the preparation of these copies, the money received from such sales to be deposited in the Treasury of the United States as miscellaneous receipts. (May 23, 1908, ch. 192, 35 Stat. 264, 266; Mar. 4, 1915, ch. 144, 38 Stat. 1109.)

CROSS REFERENCE

Secretary to furnish copies of card index of agriculture literature, see section 384 of Title 7, Agriculture.

§ 552. Sale of photographic prints and maps.—The Secretary of Agriculture may dispose of photographic prints (including bromide enlargements), lantern slides, transparencies, blueprints, and forest maps at cost and 10 per centum additional, and condemned property or materials under his charge in the same manner as provided by law for other bureaus. (Mar. 4, 1907, ch. 2907, 34 Stat. 1269.)

§ 552a. Manufacture and sale of copies of bibliographies, photographic reproductions of books, and library supplies.—The Secretary of Agriculture is authorized to make copies of bibliographies prepared by the Department library, microfilm and other photographic reproductions of books and other library materials in the Department and sell such bibliographies and reproductions at such prices (not less than estimated total cost of furnishing same) as he may determine, the money received from such sales to be deposited in the Treasury to the credit of the applicable appropriation current at the time the materials are furnished or payment therefor is received. (Sept. 21, 1944, ch. 412, title VII, § 708, 58 Stat. 742.)

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

§ 553. Sale of prints and lantern slides.—The Secretary of Agriculture is authorized to furnish, upon application, prints and lantern slides from negatives in the possession of the department and to charge for the same a price to cover the cost of preparation, such price to be determined and established by the Secretary of Agriculture, and the money received from such sales to be deposited in the Treasury of the United States. (Mar. 4, 1907, ch. 2907, 34 Stat. 1281.)

§ 554. Loan, rental, or sale of films.—The Secretary of Agriculture is authorized, under such rules and regulations and subject to such conditions as he may prescribe, to loan, rent, or sell copies of films. In the sale or rental of films educational institutions or associations for agricultural education not organized for profit shall have preference. All moneys received from such rentals or sales to be covered into the Treasury of the United States as miscellaneous receipts. (Mar. 4, 1917, ch. 179, 39 Stat. 1157; May 31, 1920, ch. 217, 41 Stat. 718.)

§ 555. Sale of samples of pure sugars.—The Secretary of Agriculture may furnish, upon application, samples of pure sugars, naval stores, microscopical specimens, and other products to State and municipal officers, educational institutions, and other parties and charge for the same a price to cover the cost thereof, such price to be determined and established by the Secretary, and the money received from sales to be deposited in the Treasury of the United States as miscellaneous receipts. (Mar. 4, 1915, ch. 144, 38 Stat. 1101.)

§ 556b. Statistics relating to turpentine and rosin.—The Secretary of Agriculture is authorized and directed to collect and/or compile and publish annually, and at such other times, and in such form and on such date or dates as he shall prescribe, statistics and essential information relating to spirits of turpentine and rosin produced, held, and used in the domestic and foreign commerce of the United States. (Aug. 15, 1935, ch. 548, 49 Stat. 653.)

§ 557. Reports.—The Secretary of Agriculture shall annually make a general report in writing of his acts to the President, in which he may recommend the publication of papers forming parts of or accompanying his report, which shall also contain an account of all moneys received and expended by him. He shall also make special reports on particular subjects whenever required to do so by the President or either House of Congress, or when he shall think the subject in his charge requires it. (R. S. §§ 528, 529; May 29, 1928, ch. 901, § 1, 45 Stat. 993.)

DERIVATION

Act May 15, 1862, ch. 72, § 3, 12 Stat. 387; act Mar. 2, 1867, § 1, 14 Stat. 440, 445.

§ 557a. Same; expenditure of appropriations; accounting.—The Secretary of Agriculture shall direct and superintend the expenditure of all money appropriated to the Department and ren-

der accounts thereof. (R. S. § 3677; Feb. 9, 1889, ch. 122, §§ 1, 4, 25 Stat. 659.)

§ 558. **Same; additional statement of expenditures.**—The Secretary of Agriculture shall furnish proper vouchers and accounts for the sums appropriated for the Department of Agriculture to the General Accounting Office. (Mar. 3, 1885, ch. 338, § 2, 23 Stat. 356; Aug. 11, 1916, ch. 313, 39 Stat. 492; June 10, 1921, ch. 18, § 301, 42 Stat. 23; May 29, 1928, ch. 901, § 1, 45 Stat. 992.)

§ 558a. **Schedule of expenditures of working capital fund.**—A separate schedule of expenditures and reimbursements, and a statement of the current assets and liabilities of the working capital fund as of the close of the last completed fiscal year, shall be included in the annual Budget. (As amended July 1, 1941, ch. 267, § 1, 55 Stat. 410; July 22, 1942, ch. 516, § 1, 56 Stat. 666; July 12, 1943, ch. 215, § 1, 57 Stat. 393.)

AMENDMENTS

1943—Act July 12, 1943, cited to text, amended section generally.

§ 563. **Cooperation with State and other agencies; expenditures.**—In carrying on the activities of the Department of Agriculture involving cooperation with State, county, and municipal agencies, associations of farmers, individual farmers, universities, colleges, boards of trade, chambers of commerce, or other local associations of business men, business organizations, and individuals within the State, Territory, district, or insular possession in which such activities are to be carried on, moneys contributed from such outside sources, except in the case of the authorized activities of the Forest Service, shall be paid only through the Secretary of Agriculture or through State, county, or municipal agencies, or local farm bureaus or like organizations, cooperating for the purpose with the Secretary of Agriculture. (July 24, 1919, ch. 26, 41 Stat. 270.)

§ 564. **Same; salaries of employees of Department.**—The officials and the employees of the Department of Agriculture engaged in the activities described in section 563 of this title and paid in whole or in part out of funds contributed as provided therein, and the persons, corporations, or associations making contributions as therein provided, shall not be subject to section 66 of this title; nor shall any official or employee engaged in the cooperative activities of the Forest Service, or the persons, corporations, or associations contributing to such activities be subject to said section 66. (July 24, 1919, ch. 26, 41 Stat. 270.)

§ 564a. **Amount and character of cooperation.**—Unless otherwise provided by the Department of Agriculture Organic Act of 1944 or by other statute, the measure and character of cooperation authorized by said Act on the part of the Federal Government and on the part of the cooperator shall be such as may be prescribed by the Secretary, unless otherwise provided for in the applicable appropriation. (Sept. 21, 1944, ch. 412, title VII, § 711, 58 Stat. 743.)

REFERENCES IN TEXT

The Department of Agriculture Organic Act of 1944, referred to in the text has been classified to the following titles in the Code: sections 514d, 520a, 541a, 541b, 543b, 552a, 564, 565a, 568-574 of this title; sections 57a, 147a, 228a, 283, 343c-1, 395, 415e, 427, 429-432, 903-905, 915, 1605 of title 7; sections 657, 832, 833, 1020a-1 of title 12; sections 500, 501, 526, 527, 554b, 554c, 559a, 572a, 579a, 580, 580a, 590f, 590h, 590q-1 of title 16; and section 114a of title 21.

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

§ 565. Construction limitations on buildings of Bureau of Entomology and Plant Quarantine.—Unless otherwise specifically provided, the cost for the construction of any building outside the District of Columbia by the Bureau of Entomology and Plant Quarantine shall not exceed \$1,500 and the total amount expended for such construction in any one year shall not exceed \$7,000. (June 25, 1940, ch. 421, § 1, 54 Stat. 551.)

SIMILAR PROVISIONS

The text of this section was taken from the Department of Agriculture Appropriation Act, 1941. Similar provisions were contained in prior appropriation acts for Department of Agriculture.

REPEATED.—Act July 1, 1941, ch. 267, § 1, 55 Stat. 427; act July 22, 1942, ch. 516, § 1, 56 Stat. 684.

TRANSFER OF FUNCTIONS

Bureau of Entomology and Plant Quarantine consolidated with other agencies into Agricultural Research Administration for duration of war, see Ex. Ord. No. 9069, set out in note under section 601 of Appendix to Title 50, War.

§ 565a. Construction and repair of buildings and public improvements.—The Department of Agriculture is authorized to erect, alter, and repair such buildings and other public improvements as may be necessary to carry out its authorized work: *Provided*, That no building or improvement shall be erected or altered under this authority unless provision is made therefor in the applicable appropriation and the cost thereof is not in excess of limitations prescribed therein. (Sept. 21, 1944, ch. 412, title VII, § 703, 58 Stat. 742.)

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

§ 566. Reimbursement of Agricultural Adjustment Administration appropriations for expenses of maintaining registers of indebtedness and making set-offs.—Beginning with the fiscal year 1942, each appropriation to enable the Secretary of Agriculture to carry into effect any program administered through the Agricultural Adjustment Administration may, in the discretion of the Secretary, be reimbursed out of the then current appropriation for the agency affected, for a fair share of the administrative expense, as estimated periodically or in advance by the Agricultural Adjustment Administration of maintaining registers of indebtedness and making, out of such Agricultural Adjustment Administration appropriation, set-offs under the order entered

by the Secretary on May 8, 1937, as heretofore or hereafter amended, in favor of any other agency of the Government. (July 22, 1942, ch. 516, § 1, 56 Stat. 691.)

§567. Adjustment by Secretary of titles to lands acquired by Government and subject to his control.—If the Secretary of Agriculture shall find within ten years after the acquisition by the United States of any land or interest therein which is subject to his administration, custody, or control, other than land acquired by exchange of public domain land or resources, that the title thereto is legally insufficient for the purposes for which such land or interest was acquired and no consideration therefor has been paid by the United States, or that title or color of title to such land or interest was acquired through mistake, misunderstanding, error, or inadvertence, he is hereby authorized to execute and deliver on behalf of and in the name of the United States to the person from whom the title was acquired or to the person whom he finds entitled thereto a quitclaim deed to such land or interest: *Provided, however,* That if the person to whom such deed is made is the same person from whom the United States acquired title, or his successor in interest, any consideration given by the United States for such land or interest shall be restored or, in lieu thereof, the value equivalent of such consideration as determined by the Secretary of Agriculture shall be paid to the United States; and any consideration or value equivalent so restored or paid shall, so far as is practicable, be restored to the jurisdiction, or deposited to the credit, of the department, agency, appropriation, or fund from which the consideration was transferred or paid at the time of the acquisition of title by the United States. (July 8, 1943, ch. 197, 57 Stat. 388.)

CROSS REFERENCES

Option to purchase lands, see section 428 of Title 7, Agriculture.

§ 569. Reimbursement of War Food Administration appropriations for costs of procuring agricultural commodities for non-governmental agencies or foreign governments.—Applicable appropriations available to the War Food Administration current at the time services are rendered or payment therefor is received may be reimbursed by nongovernmental agencies or foreign governments (by advance credits or reimbursements) for the actual or estimated costs, as determined by the War Food Administration, incident to procuring agricultural commodities for such nongovernmental agencies or foreign governments. (Sept. 21, 1944, ch. 412, title IV, § 402, 58 Stat. 738.)

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

§ 570. Membership in International Wheat Advisory Committee, International Sugar Council, etc.—The Secretary of Agriculture is authorized to expend funds, available for agricultural conservation, adjustment, and land use programs, for the share of the United States as a member of the International Wheat Advisory Committee, the International Sugar Council, or like events

or bodies concerned with the objectives of said programs, together with traveling and other necessary expenses relating thereto: *Provided*, That expenditures under this authority shall not be made unless provision is made therefor in the applicable appropriation and the cost thereof is not in excess of limitations prescribed therein. (Sept. 21, 1944, ch. 412, title VII, § 701 (a), 58 Stat. 741.)

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

§ 571. Inspections, analyses, and tests for other Government departments and agencies; reimbursement.—The head of any department or independent establishment of the Government requiring inspections, analyses, and tests of food and other products, within the scope of the functions of the Department of Agriculture and which that Department is unable to perform within the limits of its appropriations, may, with the approval of the Secretary, transfer to the Department for direct expenditure such sums as may be necessary for the performance of such work. (Sept. 21, 1944, ch. 412, title VII, § 702 (a), 58 Stat. 741.)

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

§ 572. Interchangeability of funds for miscellaneous expenses and general expenses.—Not to exceed 7 per centum of the amounts appropriated for any fiscal year for the miscellaneous expenses of the work of any bureau, division, or office of the Department of Agriculture shall be available interchangeably for expenditures on the objects included within the general expenses of such bureau, division, or office, but no more than 7 per centum shall be added to any one item of appropriation except in cases of extraordinary emergency. (Sept. 27, 1944, ch. 412, title VII, § 702 (b), 58 Stat. 741.)

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

§ 573. Purchase of newspapers.—The Department of Agriculture is authorized to subscribe for such newspapers as may be necessary to carry out its authorized work: *Provided*, That purchases under this authority shall not be made unless provision is made therefor in the applicable appropriation and the cost thereof is not in excess of limitations prescribed therein. (Sept. 21, 1944, ch. 412, title VII, § 704, 58 Stat. 742.)

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

§ 574. Employment of temporary personnel.—The War Food Administrator is authorized to employ personnel in accordance with the provisions of law applicable to the appointment and compensation of persons employed by the Agricultural Adjustment Agency. The Department of Agriculture may employ persons or organizations, on a temporary basis, by contract or other-

wise, without regard to sections 661-663, 664-673, and 674 of this title: *Provided*, That no expenditures for such temporary employment shall be made unless provision is made therefor in the applicable appropriation and the cost thereof is not in excess of limitations prescribed therein. (Sept. 21, 1944, ch. 412, title VII, § 706 (a), 58 Stat. 742.)

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

CROSS REFERENCES

Employment of personnel by the Agriculture Adjustment Agency, see section 610 of Title 7, Agriculture.

§ 575. Market-inspection certificates as prima facie evidence.—Market-inspection certificates issued by authorized agents of the Department of Agriculture shall be received in all courts of the United States as prima facie evidence of the truth of the statements therein contained. (Sept. 21, 1944, ch. 412, title IV, § 401 (c), 58 Stat. 738.)

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

CIVIL SERVICE COMMISSION AND CLASSIFIED CIVIL SERVICE

§ 631. Regulation of admissions to Civil Service.—The President is authorized to prescribe such regulations for the admission of persons into the civil service of the United States as may best promote the efficiency thereof, and ascertain the fitness of each candidate in respect to age, health, character, knowledge, and ability for the branch of service into which he seeks to enter; and for this purpose he may employ suitable persons to conduct such inquiries, and may prescribe their duties, and establish regulations for the conduct of persons who may receive appointments in the civil service. (R. S. § 1753.)

DERIVATION

Act Mar. 3, 1871, ch. 114, § 9, 16 Stat. 514.

TRANSFER AND RELEASE OF PERSONNEL

Ex. Ord. No. 9243, Sept. 12, 1942, 7 F. R. 7213, provides:

By virtue of the authority vested in me by the Civil Service Act (22 Stat. 403), and by section 1753 of the Revised Statutes of the United States (U. S. C., Title 5, sec. 631) (this chapter), it is hereby ordered:

1. Effective on and after the fifteenth day following the date of this order, transfers of employees between departments, agencies, and independent establishments of the civilian executive branch of the Federal Government, the release of such employees to private enterprise, and the establishment, granting, and conditioning of reemployment rights in the event of such transfers and releases, shall be governed by policies and directives issued by the Chairman of the War Manpower Commission in conformity with Executive Order No. 9139 of April 18, 1942.

2. In conformity with the policies of the Chairman of the War Manpower Commission, the Director of the Bureau of the Budget shall from time to time establish priority classifications of the several executive departments and agencies or parts or activities thereof, based upon the relative importance to the war program of the functions performed.

3. Executive Order No. 8973 of December 12, 1941, and Executive Order No. 9067 of February 20, 1942, are hereby revoked, effective on the fifteenth

day following the date of this order; provided that nothing contained in this order shall be construed to affect reemployment rights theretofore acquired by any employee under Executive Orders Nos. 8973 and 9067.

PROHIBITING, WITH CERTAIN EXCEPTIONS, INSTRUCTION OF APPLICANTS FOR CIVIL SERVICE AND FOREIGN SERVICE EXAMINATIONS BY OFFICERS OR EMPLOYEES OF THE GOVERNMENT EX. ORD. No. 9367, Aug. 4, 1943, 8 F. R. 11017, provides:

By virtue of the authority vested in me by section 1753 of the Revised Statutes of the United States (U. S. C., title 5, sec. 631) [this section], and as President of the United States, it is hereby ordered as follows:

1. No officer or employee of the Government shall directly or indirectly instruct or be concerned in any manner in the instruction of any person or classes of persons with a view to their special preparation for the examinations of the United States Civil Service Commission or the examinations of the Boards of Examiners for the Foreign Service of the Department of State: *Provided*, That this order shall not be construed to prevent any agency of the Government from utilizing Government facilities and the services of Federal officers and employees whenever such facilities or services may be necessary or useful in carrying out the duties imposed upon such agency by law in the training and testing of disabled members or former members of the armed forces of the United States or in the conduct of educational or training programs which are open exclusively to members or former members of the armed forces: *Provided further*, That due credit in civil service examinations shall be given by the Civil Service Commission to any member or former member of the armed forces of the United States who has satisfactorily completed any such educational or training program conducted by a Government agency.

2. Violation of the provisions of this order by any officer or employee of the Government shall be considered sufficient cause for removal from the service.

3. This order supersedes Executive Orders No. 359 of October 13, 1905, No. 1277 of December 23, 1910, No. 3088 of May 17, 1919, and No. 3215 of January 13, 1920.

SUBVERSIVE ACTIVITIES

An Interdepartmental Committee to consider cases of subversive activity on part of Federal employees was established within Department of Justice by Ex. Ord. No. 9300, Feb. 5, 1943, 8 F. R. 1701.

§ 631a. Authority of President to cover positions in executive departments, independent establishments, and other Government agencies into classified civil service.—Notwithstanding any provisions of law to the contrary, the President is authorized by Executive order to cover into the classified civil service any offices or positions in or under an executive department, independent establishment, or other agency of the Government: *Provided*, That in the case of any federally owned and controlled corporation organized under the laws of any State, Territory, or possession of the United States (including the Philippine Islands), or the District of Columbia, the President is authorized to direct that such action be taken as will permit appointments to offices or positions in any such corporation to be made in accordance with the civil-service laws, consistently with the laws of any such State, Territory, or possession, or the District of Columbia, or with the charter or articles of incorporation of any such corporation: *Provided further*, That the provisions of this section shall not apply to offices or positions in the Tennessee Valley Authority or to any positions in the Work Projects Administration or to any position to which appointments are made by the President by and with the advice and consent of the Senate, or to positions

of assistant United States district attorney. (Nov. 26, 1940, ch. 919, title I, § 1, 54 Stat. 1211.)

§ 631b. Same; civil service status of incumbents of positions covered into civil service and of certain legislative branch employees.—(a) The incumbent of any office or position which is covered into the classified civil service under the provisions of section 631a of this title shall not thereby acquire a classified civil-service status, except (1) upon recommendation by the head of the agency concerned within one year after such office or position has been covered into the classified civil service, and certification within such period by such head to the Civil Service Commission that such incumbent has served with merit for not less than six months immediately prior to the date such office or position was covered into the classified civil service; and (2) upon passing such suitable noncompetitive examination as the Commission may prescribe: *Provided*, That any such incumbent shall be given only one such noncompetitive examination: *Provided further*, That any such incumbent who fails to pass the noncompetitive examination provided in his case shall be separated from the service not later than six months after the Commission advises the appointing officer that such employee has failed.

The appointment of any person occupying any position covered into the apportioned civil service in the District of Columbia under the provisions of section 631a of this title shall be charged to the apportionment of his State. As used in this section "State" includes a Territory and the District of Columbia.

(b) From and after November 26, 1940, any person who shall have served for four years as a secretary, clerk or assistant clerk to a Senator, Representative, Delegate or Resident Commissioner, or as a clerk or assistant clerk to a standing committee of the Senate or House of Representatives or as a clerical employee of the Senate or House of Representatives and whose separation from the service is involuntary and without prejudice shall acquire, upon passing such suitable noncompetitive examination as the Civil Service Commission may prescribe, a classified civil service status for transfer to a position in the classified civil service notwithstanding any contrary provisions of the civil service laws or regulations: *Provided*, That any individual who may hold such a position in the legislative branch must obtain such transfer within one year from the date of separation, and nothing in sections 631a, 631b, 632, 635, 669-684 of this title shall be construed to impair any right of retransfer provided for under civil service laws or regulations made thereunder. (Nov. 26, 1940, ch. 919, title I, § 2, 54 Stat. 1212.)

§ 632. Civil Service Commission; appointment; removal, and compensation of commissioners.—The President is authorized to appoint, by and with the advice and consent of the Senate, three persons, not more than two of whom shall be adherents of the same party, as civil service commissioners, and said three commissioners shall constitute the United States Civil Service Commission. Said commissioners shall hold no other official place under the United States. (Jan. 16, 1883, ch. 27, § 1, 22 Stat. 403; Nov. 2, 1940, ch. 919, title II, § 8, 54 Stat. 1211.)

§ 633. Rules.—It shall be the duty of said commissioners:

(1) *Preparation of.*—First. To aid the President, as he may request, in preparing suitable rules for carrying this section and sections 632, 635, 637, 638, and 640-642 of this title, into effect, and when said rules shall have been promulgated it shall be the duty of all officers of the United States in the departments and offices to which any such rules may relate to aid, in all proper ways, in carrying said rules, and any modification thereof, into effect.

(2) *Provisions of.*—Second. Among other things, said rules shall provide and declare, as nearly as the conditions of good administration will warrant, as follows:

1. *Competitive examinations.*—First. For open, competitive examinations for testing the fitness of applicants for the public service classified on January 16, 1883, or thereafter, or to be classified hereunder. Such examinations shall be practical in their character, and so far as may be shall relate to those matters which will fairly test the relative capacity and fitness of the persons examined to discharge the duties of the service into which they seek to be appointed.

2. *Selection of officers, etc., according to results of examinations.*—Second. All the offices, places, and employments so arranged or to be arranged in classes shall be filled by selections according to grade from among those graded highest as the results of such competitive examinations.

3. *Apportionment of appointments; applications for examinations.*—Third. Appointments to the public service aforesaid in the departments at Washington shall be apportioned among the several States and Territories and the District of Columbia upon the basis of population as ascertained at the last preceding census. Every application for an examination shall contain, among other things, a statement, under oath, setting forth his or her actual bona fide residence at the time of making the application, as well as how long he or she has been a resident of such place.

4. *Probation before absolute appointment.*—Fourth. There shall be a period of probation before any absolute appointment or employment aforesaid.

5. *Contributions for political purposes.*—Fifth. No person in the public service is for that reason under any obligations to contribute to any political fund, or to render any political service, and that he will not be removed or otherwise prejudiced for refusing to do so.

6. *Political coercion by officers; discrimination due to marital status.*—Sixth. No person in said service has any right to use his official authority or influence to coerce the political action of any person or body. And no person shall be discriminated against in any case because of his or her marital status in examination, appointment, reappointment, reinstatement, reemployment, promotion, transfer, retransfer, demotion, removal, or retirement. All Acts or parts of Acts inconsistent herewith are hereby repealed.

7. *Noncompetitive examinations in certain cases.*—Seventh. There shall be noncompetitive examinations in all proper cases before the commission when competent persons do not compete,

after notice has been given of the existence of the vacancy, under such rules as may be prescribed by the commissioners as to the manner of giving notice.

8. *Notice of appointments, rejections, transfers, resignations, and removals; exceptions to be set forth with rules.*—Eighth. Notice shall be given in writing by the appointing power to said commission of the persons selected for appointment or employment from among those who have been examined, of the place of residence of such persons, of the rejection of any such persons after probation, of transfers, resignations, and removals, and of the date thereof, and a record of the same shall be kept by said commission. Any necessary exceptions from said eight fundamental provisions of the rules shall be set forth in connection with such rules, and the reasons therefor shall be stated in the annual reports of the commission.

(3) **Regulations for examinations, and records.**—Third. Said commission shall, subject to the rules that may be made by the President, make regulations for, and have control of, such examinations, and, through its members or the examiners, it shall supervise and preserve the records of the same; and said commission shall keep minutes of its own proceedings.

(4) **Investigations and reports.**—Fourth. Said commission may make investigations concerning the facts, and may report upon all matters touching the enforcement and effects of said rules and regulations, and concerning the action of any examiner or board of examiners hereinafter provided for, and its own subordinates, and those in the public service, in respect to the execution of this section and sections 632, 635, 637, 638, and 640-642 of this title.

(5) **Annual reports.**—Fifth. Said commission shall make an annual report to the President for transmission to Congress, showing its own action, the rules and regulations and the exceptions thereto in force, the practical effects thereof, and any suggestions it may approve for the more effectual accomplishment of the purposes of sections 632, 633, 635, 637, 638, and 640-642. (Jan. 16, 1883, ch. 27, § 2, 22 Stat. 403; July 26, 1937, ch. 522, 50 Stat. 533.)

CROSS REFERENCES

Dismissal of husband or wife of Government employees before any other employee, see section 37a of this title.

Hatch Political Activity Act, see section 61 et seq. of Title 18, Criminal Code and Criminal Procedure.

Preference to persons other than husband or wife of Government employees in civil service appointments, see section 35a of this title.

§ 633c. **Personnel Classification Board; orders, rules, laws, etc., continued.**—(a) All orders, determinations, rules, or regulations made or issued by the former Personnel Classification Board, and in effect at the time of the transfer of such board to the Civil Service Commission, shall continue in effect to the same extent as if such transfer had not been made, until modified, superseded, or repealed by the Civil Service Commission.

(b) All provisions of law relating to the Personnel Classification Board and the director of classification shall continue in force with respect to the Civil Service Commission, insofar as

such provisions of law are not inconsistent with the provisions of section 633a, or 633b of this title. (June 30, 1932, ch. 314, § 507, 47 Stat. 416.)

§ 635. Chief examiner; secretary; employees; boards of examiners.—Said commission is authorized to employ a chief examiner, a part of whose duty it shall be, under its direction, to act with the examining boards, so far as practicable, whether at Washington or elsewhere, and to secure accuracy, uniformity, and justice in all their proceedings, which shall be at all times open to him. The chief examiner shall be entitled to receive a salary at the rate of \$9,500 per annum, and he shall be paid his necessary traveling expenses incurred in the discharge of his duty. The commission shall have a secretary, to be appointed by the President. It may, when necessary, employ a stenographer, and a messenger. The commission shall, at Washington, and in one or more places in each State and Territory where examinations are to take place, designate and select a suitable number of persons, not less than three, in the official service of the United States, residing in said State or Territory, after consulting the head of the department or office in which such persons serve, to be members of boards of examiners, and may at anytime substitute any other person in said service living in such State or Territory in the place of any one so selected. Such boards of examiners shall be so located as to make it reasonably convenient and inexpensive for applicants to attend before them; and where there are persons to be examined in any State or Territory, examinations shall be held therein at least twice in each year. It shall be the duty of the collector, postmaster, and other officers of the United States, at any place outside of the District of Columbia where examinations are directed by the President or by said board to be held, to allow the reasonable use of the public buildings for holding such examinations, and in all proper ways to facilitate the same. (Jan. 16, 1883, ch. 27, § 3, 22 Stat. 404; June 12, 1922, ch. 218, 42 Stat. 637; Nov. 26, 1940, ch. 919, title II, § 8, 54 Stat. 1216.)

§ 637. Violation of duties by commissioners or officers, etc.; punishment.—Any Civil Service Commissioner, examiner, copyist, or messenger, or any person in the public service who shall willfully and corruptly, by himself or in cooperation with one or more other persons, defeat, deceive, or obstruct any person in respect of his or her right of examination according to any such rules or regulations, or who shall willfully, corruptly, and falsely mark, grade, estimate or report upon the examination or proper standing of any person examined hereunder, or aid in so doing, or who shall willfully and corruptly make any false representations concerning the same or concerning the person examined, or who shall willfully and corruptly furnish to any person any special or secret information for the purpose of either improving or injuring the prospects or chances of any person so examined, or to be examined, being appointed, employed, or promoted, shall for each such offense be deemed guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine of not less than \$100, nor more than \$1,000, or by imprisonment not less than ten

days, nor more than one year, or by both such fine and imprisonment. (Jan. 16, 1883, ch. 27, § 5, 22 Stat. 405.)

§ 638. Appointments and promotions in classified service; examinations.—No officer or clerk shall be appointed, and no person shall be employed to enter or be promoted in either of the classes of employees existing on January 16, 1883, or that may thereafter exist, until he has passed an examination, or is shown to be specially exempted from such examination in conformity herewith. Nothing herein contained shall be construed to take from those honorably discharged from the military or naval service any preference conferred by first sentence of section 35 of this title, nor to take from the President any authority not inconsistent with sections 632, 633, 635, 637, 638, 640-642 of this title, conferred by section 631 of this title; nor shall any officer not in the executive branch of the government, or any person merely employed as a laborer or workman, be required to be classified hereunder; nor, unless by direction of the Senate, shall any person who has been nominated for confirmation by the Senate be required to be classified or to pass an examination. (Jan. 16, 1883, ch. 27, § 7, 22 Stat. 406.)

§ 640. Habitual users of intoxicants.—No person habitually using intoxicating beverages to excess shall be appointed to, or retained in, any office, appointment, or employment to which the provisions of sections 632, 633, 635, 637, 638, and 640-642 of this title are applicable. (Jan. 16, 1883, ch. 27, § 8, 22 Stat. 406.)

§ 641. Members of same family.—Whenever there are already two or more members of a family in the public service in the grades covered by sections 632, 633, 635, 637, 638, and 640-642 of this title, no other member of such family shall be eligible to appointment to any of said grades. (Jan. 16, 1883, ch. 27, § 9, 22 Stat. 406.)

§ 642. Recommendations by Senators or Representatives.—No recommendation of any person who shall apply for office or place under the provisions of sections 632, 633, 635, 637, 638, and 640-642 of this title which may be given by any Senator or Member of the House of Representatives, except as to the character or residence of the applicant, shall be received or considered by any person concerned in making any examination or appointment under said sections. (Jan. 16, 1883, ch. 27, § 10, 22 Stat. 406.)

§ 643. Applications for examinations; certificate of residence.—After May 15, 1937, every application for examination before the Civil Service Commission for appointment in the departmental service in the District of Columbia shall be accompanied by a certificate of an office, with his official seal attached, of the county and State of which the applicant claims to be a citizen, that such applicant was, at the time of making such application, a legal or voting resident of said county, and had been such resident for a period of not less than one year next receding, but this provision shall not apply to persons who may be in the service with civil-service status and seek promotion or appointment in other branches of the Government. (July 11, 1890, ch. 667, § 1, 26 Stat. 235; May 15, 1937, ch. 196, 50 Stat. 168.)

§ 652. Removals from classified Civil Service for cause only.—No person in the classified civil service of the United States shall be removed therefrom except for such cause as will promote the efficiency of said service and for reasons given in writing, and the person whose removal is sought shall have notice of the same and of any charges preferred against him, and be furnished with a copy thereof, and also be allowed a reasonable time for personally answering the same in writing; and affidavits in support thereof; but no examination of witnesses nor any trial or hearing shall be required except in the discretion of the officer making the removal; and copies of charges, notice of hearing, answer, reasons for removal, and of the order of removal shall be made a part of the records of the proper department or office, as shall also the reasons for reduction in rank or compensation; and copies of the same shall be furnished to the person affected upon request, the Civil Service Commission also shall, upon request, be furnished copies of the same. Membership in any society, association, club, or other form of organization of postal employees not affiliated with any outside organization imposing an obligation or duty upon them to engage in any strike, or proposing to assist them in any strike, against the United States, having for its objects, among other things, improvements in the condition of labor of its members, including hours of labor and compensation therefor and leave of absence, by any person or groups of persons in said Postal Service, or the presenting by any such person or groups of persons of any grievance or grievances to the Congress or any Member thereof shall not constitute or be cause for reduction in rank or compensation or removal of such person or groups of persons from said service. The right of persons employed in the civil service of the United States, either individually or collectively, to petition Congress, or any Member thereof, or to furnish information to either House of Congress, or to any committee or member thereof, shall not be denied or interfered with. (Aug. 24, 1912, ch. 389, § 6, 37 Stat. 555.)

CROSS REFERENCES

Confiscation of salary of employee removed for cause, see section 46a of this title.

Deputy collectors of internal revenue or deputy marshalls' appointments may be revoked by officer appointing them without regard to civil service laws or rules, see section 639 of this title.

Employees guilty of using appropriations for purpose of influencing a member of Congress, to be removed by superior officer, see section 201 of Title 18, Criminal Code and Criminal Procedure.

§ 654. Duties of Commission as to Official Register.—The United States Civil Service Commission shall cause to be compiled, edited, indexed, and published each year an Official Register of the United States, which shall contain a full and complete list of all persons occupying administrative and supervisory positions in the legislative, executive, and judicial branches of the Government, including the District of Columbia, in connection with which salaries are paid from the Treasury of the United States. The register shall show the name; official title; salary, compensation, and emoluments; legal residence and place of employment

for each person listed therein: *Provided, however,* That the Official Register shall not contain the name of any postmaster or assistant postmaster, or any officer of the Army, Navy, and Marine Corps, unless such officer is assigned as an administrative officer. To enable the United States Civil Service Commission to compile and publish the Official Register of the United States as early as practicable after the first of June of each year, the Executive Office, the legislative and judicial branches of the Government, the Commissioners of the District of Columbia, and the head of each executive department, independent office, establishment, and commission of the Government shall, as of the 1st day of May of each year, beginning with May 1, 1936, supply to the United States Civil Service Commission the data required by this section, upon forms approved and furnished by the Commission, in due time to permit the publication of the Official Register as herein provided; and no extra compensation shall be allowed to any officer, clerk, or employee of the United States Civil Service Commission for compiling the Official Register. (Aug. 28, 1935, ch. 795, §§ 1, 2, 49 Stat. 956, 957.)

CLASSIFICATION OF CIVILIAN POSITIONS

§ 661. **Short title.**—Sections 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, and 674 of this title may be collectively cited as “The Classification Act of 1923.” (Mar. 4, 1923, ch. 265, § 1, 42 Stat. 1488.)

§ 662. **Definitions.**—The term “compensation schedules” means the schedules of positions, grades, and salaries, as contained in section 673 of this title.

The term “department” means an executive department of the United States Government, a governmental establishment in the executive branch of the United States Government which is not a part of an executive department, the municipal government of the District of Columbia, the Botanic Garden, Library of Congress, Library Building and Grounds, Government Printing Office, the Smithsonian Institution, and the office of the Architect of the Capitol: *Provided,* That this section shall not operate to reduce the compensation of the incumbent in any position on June 20, 1929, nor to prevent the Architect of the Capitol from employing professional and technical services in connection with construction projects at such rates of compensation as he may deem necessary in the public interest: *Provided further,* That the compensation of any employees under the Office of the Architect of the Capitol whose tenure of employment is temporary or of uncertain duration may be fixed by the Architect of the Capitol without reference to the provisions of the Classification Act of 1923, as amended.

The term “the head of the department” means the officer or group of officers in the department who are not subordinate or responsible to any other officer of the department.

The term “position” means a specific civilian office or employment, whether occupied or vacant, in a department other than the following: Offices or employments in the Postal Service;

teachers, librarians, school attendance officers, and employees of the community center department under the Board of Education of the District of Columbia; officers and members of the metropolitan police, the fire department of the District of Columbia, and the United States park police; and the commissioned personnel of the Coast Guard, the Public Health Service, and the Coast and Geodetic Survey.

The term "employee" means any person temporarily or permanently in a position.

The term "service" means the broadest division of related offices and employments.

The term "grade" means a subdivision of a service, including one or more positions for which approximately the same basic qualifications and compensation are prescribed, the distinction between grades being based upon differences in the importance, difficulty, responsibility, and value of the work.

The term "class" means a group of positions to be established under this chapter sufficiently similar in respect to the duties and responsibilities thereof that the same requirements as to education, experience, knowledge, and ability are demanded of incumbents, the same tests of fitness are used to choose qualified appointees, and the same schedule of compensation is made to apply with equity.

The term "compensation" means any salary, wage, fee, allowance, or other emolument paid to an employee for service in a position. (Mar. 4, 1923, ch. 265, § 2, 42 Stat. 1488; June 20, 1929, ch. 33, § 3, 46 Stat. 38; June 30, 1932, ch. 314, § 505, 47 Stat. 416.)

ABOLISHMENT OF PERSONNEL BOARD

The Personnel Classification Board was abolished and its duties, functions, etc., transferred to the Civil Service Commission by act June 30, 1932, ch. 314, § 505, 47 Stat. 416, see section 633a of this title.

§ 663. Rules and regulations; classification.—The Civil Service Commission shall make all necessary rules and regulations not inconsistent with the provisions of sections 661-663, 664-673 and 674 of this title and provide such subdivisions of the grades contained in section 673 of this title and such titles and definitions as it may deem necessary according to the kind and difficulty of the work. Its regulations shall provide for ascertaining and recording the duties of positions and the qualifications required of incumbents, and it shall prepare and publish an adequate statement giving (1) the duties and responsibilities involved in the classes to be established within the several grades, illustrated where necessary by examples of typical tasks, (2) the minimum qualifications required for the satisfactory performance of such duties and tasks, and (3) the titles given to said classes. In performing the foregoing duties, the commission shall follow as nearly as practicable the classification made pursuant to the Executive Order of October 24, 1921. The commission may from time to time designate additional classes within the several grades and may combine, divide, alter, or abolish existing classes. Department heads shall promptly report the duties and responsibilities of new positions to the commission. The commission shall make

necessary adjustments in compensation for positions carrying maintenance and for positions requiring only part-time service. (Mar. 4, 1923, ch. 265, § 3, 42 Stat. 1489; July 3, 1930, ch. 850, § 6, 46 Stat. 1005; June 30, 1932, ch. 314, § 505, 47 Stat. 416.)

ABOLISHMENT OF PERSONNEL BOARD

Section originally provided for the establishment of the Personnel Classification Board as well as the duties, powers, and functions now contained herein. By act of June 30, 1932, cited to text, the Board was abolished and its duties, powers, and functions transferred to the Civil Service Commission.

§ 664. Allocation of positions to grades and fixing of rates of compensation by department heads; review and revision.—After consultation with the commission, and in accordance with a uniform procedure prescribed by it, the head of each department shall allocate all positions in his department in the District of Columbia to their appropriate grades in the compensation schedules and shall fix the rate of compensation of each employee thereunder, in accordance with the rules prescribed in section 666 of this title. Such allocations shall be reviewed and may be revised by the commission and shall become final upon their approval by said commission. Whenever an existing position or a position created by law after March 4, 1923, shall not fairly and reasonably be allocable to one of the grades of the several services described in the compensation schedules, the commission shall adopt for such position the range of compensation prescribed for a grade, or a class thereof, comparable therewith as to qualifications and duties.

In determining the rate of compensation which an employee shall receive, the principle of equal compensation for equal work irrespective of sex shall be followed. (Mar. 4, 1923, ch. 265, § 4, 42 Stat. 1489; June 30, 1932, ch. 314, § 505, 47 Stat. 416.)

ABOLISHMENT OF BOARD

The Personnel Classification Board was abolished and its duties, functions, etc., transferred to the Civil Service Commission by act June 30, 1932, cited to text.

§ 665. Application of compensation schedules.—The compensation schedules shall apply only to civilian employees in the departments within the District of Columbia and shall not apply to employees in positions the duties of which are to perform or assist in apprentice, helper, or journeyman work in a recognized trade or craft and skilled and semiskilled laborers, except such as are under the direction and control of the custodian of a public building or perform work which is subordinate, incidental, preparatory to work of a professional, scientific, or technical character. (Mar. 4, 1923, ch. 265, § 5, 42 Stat. 1489.)

§ 666. Rules governing fixing of compensation schedules.—In determining the compensation to be established initially for the several employees the following rules shall govern:

1. In computing the existing compensation of an employee, any bonus which the employee receives shall be included.

2. If the employee is receiving compensation less than the minimum rate of the grade or class thereof in which his duties fall, the compensation shall be increased to that minimum rate.

3. If the employee is receiving compensation within the range of salary prescribed for the appropriate grade at one of the rates fixed therein, no change shall be made in the existing compensation.

4. If the employee is receiving compensation within the range of salary prescribed for the appropriate grade, but not at one of the rates fixed therein, the compensation shall be increased to the next higher rate.

5. If the employee is not a veteran of the Civil War, or a widow of such veteran, and is receiving compensation in excess of the range of salary prescribed for the appropriate grade, the compensation shall be reduced to the rate within the grade nearest the present compensation.

6. All new appointments shall be made at the minimum rate of the appropriate grade or class thereof. (Mar. 4, 1923, ch. 265, § 6, 42 Stat. 1490.)

§ 667. Increases in compensation.—Increases in compensation shall be allowed upon the attainment and maintenance of the appropriate efficiency ratings, to the next higher rate within the salary range of the grade. In no case shall the compensation of any employee be increased unless Congress has appropriated money from which the increase may lawfully be paid, nor shall the rate for any employee be increased beyond the maximum rate for the grade to which his position is allocated. Nothing herein contained shall be construed to prevent the promotion of an employee from one class to a vacant position in a higher class at any time in accordance with civil service rules, and when so promoted the employee shall receive compensation according to the schedule established for the class to which he is promoted.

(b) All employees compensated on a per annum basis, and occupying permanent positions within the scope of the compensation schedules fixed by sections 661-663, 664-673 and 674 of this title, who have not attained the maximum rate of compensation for the grade in which their positions are respectively allocated, shall be advanced in compensation successively to the next higher rate within the grade at the beginning of the next quarter, following the completion of: (1) Each eighteen months of service if such employees are in grades in which the compensation increments are \$60 or \$100, or (2) each thirty months of service if such employees are in grades in which the compensation increments are \$200 or \$250, subject to the following conditions:

(1) That no equivalent increase in compensation from any cause was received during such period, except increase made pursuant to subsection (f) of this section;

(2) That an employee whose rate of compensation is below the middle rate of the grade shall not be advanced unless his current efficiency is good or better than good;

(3) That an employee whose rate of compensation is at or above the middle rate of the grade shall not be advanced unless his current efficiency is better than good;

(4) That the service and conduct of such employee are certified by the head of the department or agency or such official as he may designate as being otherwise satisfactory.

(c) The term "good" as used herein shall be defined in accordance with the systems of efficiency rating established pursuant to section 669 of this title.

(d) For the purposes of this section, the fourth salary rate in grades 2 and 3 of the custodial service shall be considered the middle rate.

(e) Employees eligible under subsection (b) for compensation advancement by reason of service immediately preceding the effective date of this amendment shall be advanced to the next higher rate of compensation within the grade to which their positions are respectively allocated at the beginning of the next quarter immediately following the effective date of this amendment.

(f) Within the limit of available appropriations, and in recognition of especially meritorious services, the head of any department or agency is authorized to make additional within-grade compensation advancements, but any such additional advancements shall not exceed one step and no employee shall be eligible for more than one additional advancement hereunder within each of the time periods specified in subsection (b). All actions under this subsection and the reasons therefor shall be reported to the Civil Service Commission. The Commission shall present an annual consolidated report to the Congress covering the numbers and types of actions taken under this subsection.

(g) The President is hereby authorized to issue such regulations as may be necessary for the administration of this section.

(h) The provisions of subsections (b) to (f), both inclusive, of this section shall not apply to the compensation of persons appointed by the President, by and with the advice and consent of the Senate. (Mar. 4, 1923, ch. 265, § 7, 42 Stat. 1490.) (As amended Aug. 1, 1941, ch. 346, § 2, 55 Stat. 613.)

AMENDMENTS

1941—Subsec. (a), formerly entire section, was so designated by act Aug. 1, 1941, cited to text.

Subsecs. (b)-(h) were added by act Aug. 1, 1941, cited to text.

APPROPRIATIONS, REPEAL, EFFECTIVE DATE RELATIVE TO AMENDMENT OF AUG. 1, 1941

Sections 7-9 of act Aug. 1, 1941, cited to text, provided:

"SEC. 7. There are hereby authorized to be appropriated such sums as may be necessary to carry the provisions of this Act into effect.

"SEC. 8. Insofar as they are inconsistent or in conflict with prior laws, the provisions of this Act shall control.

"SEC. 9. This Act shall take effect on July 1, 1941."

§ 668. Existing preferences in appointments, etc., not affected.—Nothing in sections 661-663, 664-673 and 674 of this title shall modify or repeal any existing preference in appointment or reduction in the service of honorably discharged soldiers, sailors, or marines under any existing law or any Executive order in force March 4, 1923. (Mar. 4, 1923, ch. 265, § 8, 42 Stat. 1490.)

§ 669. **Efficiency ratings.**—The commission shall review and may revise uniform systems of efficiency rating established or to be established for the various grade or classes thereof, which shall set forth the degree of efficiency which shall constitute ground for (a) increase in the rate of compensation for employees who have not attained the maximum rate of the class to which their positions are allocated, (b) continuance at the existing rate of compensation without increase or decrease, (c) decrease in the rate of compensation for employees who at the time are above the minimum rate for the class to which their positions are allocated, and (d) dismissal.

The head of each department shall rate in accordance with such systems the efficiency of each employee under his control or direction. The current ratings for each grade or class thereof shall be open to inspection by the representatives of the commission and by the employees of the department under conditions to be determined by the commission after consultation with the department heads.

Reductions in compensation and dismissals for inefficiency shall be made by heads of departments in all cases whenever the efficiency ratings warrant, as provided herein, subject to the approval of the commission.

Under such regulations as may be prescribed by the Civil Service Commission with the approval of the President—

There shall be established in each Department one or more boards of review, each of which shall be composed of three members, the chairman to be designated by the Civil Service Commission, one of the other members to be designated by the head of the Department concerned, and the third member to be designated by the employees of the Department concerned in such manner as may be determined by the Civil Service Commission. The boards of review shall meet at the call of their respective chairmen for the purpose of considering and passing upon the merits of such efficiency ratings assigned to employees as may be submitted to such boards of review as hereinafter provided. Any employee shall, upon written request to the chairman of the appropriate board of review of his department, be entitled, as a matter of right, to a hearing and a review by such board of review of his efficiency rating. At such hearing such employee and his representative, and such representatives of the Department, as may be designated by the head thereof, shall be afforded an opportunity to submit orally or in writing any information deemed by the board of review to be pertinent to the case, and shall be afforded an opportunity to hear or examine, and reply to, information submitted to such board by other parties. After any such hearing, the board of review may make such adjustments in any such efficiency rating as it may find to be proper.

The Civil Service Commission and heads of departments are authorized and directed to take such action as will apply the provisions of this section uniformly to all employees occupying positions within the compensation schedules fixed by sections 661-663., 664-673 and 674 of this title as nearly as is practicable. (Mar. 4, 1923, ch. 265, § 9, 42 Stat. 1490; June 30, 1932, ch. 314,

§ 505, 47 Stat. 416; Nov. 26, 1940, ch. 919, title II, § 7, 54 Stat. 1215; Aug. 1, 1941, ch. 346, § 3, 55 Stat. 669.)

AMENDMENTS

1941—Par. beginning "The Civil Service Commission and heads of departments" was added by act Aug. 1, 1941, cited to text.

CROSS REFERENCES

Appropriations, repeal, effective date relative to amendment of Aug. 1, 1941, see note under section 667 of this title.

§ 670. Transfer or promotion of employees.—Subject to such rules and regulations as the President may from time to time prescribe, and regardless of the department or independent establishment in which the position is located, an employee may be transferred from a position in one grade to a vacant position within the same grade at the same rate of compensation, or promoted to a vacant position in a higher grade at a higher rate of compensation, in accordance with civil-service rules, any provision of statutes existing on March 4, 1923, to the contrary notwithstanding. Nothing herein shall be construed to authorize or permit the transfer of an employee of the United States to a position under the municipal government of the District of Columbia, or an employee of the municipal government of the District of Columbia to a position under the United States. (Mar. 4, 1923, ch. 265, § 10, 42 Stat. 1491.)

§ 671. Temporary appointments not made permanent.—Nothing contained in sections 661-663, 664-673 and 674 of this title shall be construed to make permanent any temporary appointments under existing law. (Mar. 4, 1923, ch. 265, § 11, 42 Stat. 1491.)

§ 672. Readjustment of rates of compensation.—It shall be the duty of the commission to make a study of the rates of compensation provided in sections 661-663, 664-673 and 674 of this title for the various services and grades with a view to any readjustment deemed by said board to be just and reasonable. Said commission shall, after such study and at such subsequent times as it may deem necessary, report its conclusions to Congress with any recommendations it may deem advisable. (Mar. 4, 1923, ch. 265, § 12, 42 Stat. 1491; June 30, 1932, ch. 314, § 505, 47 Stat. 416.)

ABOLISHMENT OF BOARD

The Personnel Classification Board was abolished and its duties, functions, etc., transferred to the Civil Service Commission by act June 30, 1932, cited to text.

§ 673. Compensation schedules enumerated; professional and scientific service; subprofessional service.—The compensation schedules shall be as follows:

PROFESSIONAL AND SCIENTIFIC SERVICE

The professional and scientific service shall include all classes of positions the duties of which are to perform routine, advisory, administrative, or research work which is based upon the established principles of a profession or science, and which requires

professional, scientific, or technical training equivalent to that represented by graduation from a college or university of recognized standing.

Grade 1 in this service, which may be referred to as the junior professional grade, shall include all classes of positions the duties of which are to perform, under immediate supervision, simple and elementary work requiring professional, scientific, or technical training as herein specified but little or no experience.

The annual rates of compensation for positions in this grade shall be \$2,000, \$2,100, \$2,200, \$2,300, \$2,400, \$2,500, and \$2,600.

Grade 2 in this service, which may be referred to as the assistant professional grade, shall include all classes of positions the duties of which are to perform, under immediate or general supervision, individually or with a small number of subordinates, work requiring professional, scientific, or technical training as herein specified, previous experience, and, to a limited extent, the exercise of independent judgment.

The annual rates of compensation for positions in this grade shall be \$2,600, \$2,700, \$2,800, \$2,900, \$3,000, \$3,100, and \$3,200.

Grade 3 in this service, which may be referred to as the associate professional grade, shall include all classes of positions the duties of which are to perform, individually or with a small number of trained assistants, under general supervision but with considerable latitude for the exercise of independent judgment, responsible work requiring extended professional, scientific, or technical training and considerable previous experience.

The annual rates of compensation for positions in this grade shall be \$3,200, \$3,300, \$3,400, \$3,500, \$3,600, \$3,700, and \$3,800.

Grade 4 in this service, which may be referred to as the full professional grade, shall include all classes of positions the duties of which are to perform, under general supervision, difficult and responsible work requiring considerable professional, scientific, or technical training and experience, and the exercise of independent judgment.

The annual rates of compensation for positions in this grade shall be \$3,800, \$4,000, \$4,200, \$4,400, and \$4,600.

Grade 5 in this service, which may be referred to as the senior professional grade, shall include all classes of positions the duties of which are to perform, under general administrative supervision, important specialized work requiring extended professional, scientific, or technical training and experience, the exercise of independent judgment, and the assumption of responsibility for results, or for the administration of a small scientific or technical organization.

The annual rates of compensation for positions in this grade shall be \$4,600, \$4,800, \$5,000, \$5,200, and \$5,400, unless a higher rate is specifically authorized by law.

Grade 6 in this service, which may be referred to as the principal professional grade, shall include all classes of positions the duties of which are to act as assistant head of a major professional or scientific organization, or to act as administrative head of a major subdivision of such an organization, or to act as head of a small professional or scientific organization, or to serve, as con-

sulting specialist, or independently to plan, organize, and conduct investigations in original research or development work in a professional, scientific, or technical field.

The annual rates of compensation for positions in this grade shall be \$5,600, \$5,800, \$6,000, \$6,200, and \$6,400, unless a higher rate is specifically authorized by law.

Grade 7 in this service, which may be referred to as the head professional grade, shall include all classes of positions the duties of which are to act as assistant head of one of the largest and most important professional or scientific bureaus, or to act as the scientific and administrative head of a major professional or scientific bureau, or to act as professional consultant to a department head or a commission or board dealing with professional, scientific, or technical problems, or to perform professional or scientific work of equal importance, difficulty, and responsibility.

The annual rates of compensation for positions in this grade shall be \$6,500, \$6,750, \$7,000, \$7,250, \$7,500, unless a higher rate is specifically authorized by law.

Grade 8 in this service, which may be referred to as the chief professional grade, shall include all classes of positions the duties of which are to act as the administrative head of one of the largest and most important professional or scientific bureaus, or to perform professional or scientific work of equal importance, difficulty, and responsibility.

The annual rates of compensation for positions in this grade shall be \$8,000, \$8,250, \$8,500, \$8,750, \$9,000, unless a higher rate is specifically authorized by law.

Grade 9 in this service, which may be referred to as the special professional grade, shall include all positions which are or may be specifically authorized or appropriated for at annual rates of compensation in excess of \$9,000.

SUBPROFESSIONAL SERVICE

The subprofessional service shall include all classes of positions the duties of which are to perform work which is incident, subordinate, or preparatory to the work required of employees holding positions in the professional and scientific service, and which requires or involves professional, scientific, or technical training of any degree inferior to that represented by graduation from a college or university of recognized standing.

Grade 1 in this service, which may be referred to as the minor subprofessional grade, shall include all classes of positions the duties of which are to perform, under immediate supervision, the simplest routine work in a professional, scientific, or technical organization.

The annual rates of compensation for positions in this grade shall be \$1,200, \$1,260, \$1,320, \$1,380, \$1,440, \$1,500, and \$1,560.

Grade 2 in this service, which may be referred to as the under-subprofessional grade, shall include all classes of positions the duties of which are to perform, under immediate supervision, assigned subordinate work of a professional, scientific, or technical character, requiring limited training or experience, but not the exercise of independent judgment.

The annual rates of compensation for positions in this grade shall be \$1,320, \$1,380, \$1,400, \$1,500, \$1,560, \$1,620, and \$1,680.

Grade 3 in this service, which may be referred to as the junior subprofessional grade, shall include all classes of positions the duties of which are to perform, under immediate supervision, subordinate work of a professional, scientific, or technical character, requiring considerable training or experience, but not the exercise of independent judgment.

The annual rates of compensation for positions in this grade shall be \$1,440, \$1,500, \$1,560, \$1,620, \$1,680, \$1,740, and \$1,800.

Grade 4 in this service, which may be referred to as the junior subprofessional grade, shall include all classes of positions the duties of which are to perform, under immediate supervision, subordinate work of a professional, scientific, or technical character, requiring considerable training or experience, and, to a limited extent, the exercise of independent judgment.

The annual rates of compensation for positions in this grade shall be \$1,620, \$1,680, \$1,740, \$1,800, \$1,860, \$1,920, and \$1,980.

Grade 5 in this service, which may be referred to as the main subprofessional grades, shall include all classes of positions the duties of which are to perform, under immediate or general supervision, subordinate work of a professional, scientific, or technical character requiring a thorough knowledge of a limited field of professional, scientific, or technical work, and the exercise of independent judgment, or to supervise the work of a small number of employees performing duties of an inferior grade in the subprofessional service.

The annual rate of compensation for positions in this grade shall be \$1,800, \$1,860, \$1,920, \$1,980, \$2,040, \$2,100, and \$2,160.

Grade 6 in this service, which may be referred to as the senior subprofessional grade, shall include all classes of positions the duties of which are to perform, under immediate or general supervision, subordinate but difficult and responsible work of a professional, scientific, or technical character, requiring a thorough knowledge of a limited field of professional, scientific, or technical work, and the exercise of independent judgment, or to supervise the work of a small number of employees holding positions in grade 5 of this service.

The annual rates of compensation for positions in this grade shall be \$2,000, \$2,100, \$2,200, \$2,300, \$2,400, \$2,500, and \$2,600.

Grade 7 in this service, which may be referred to as the principal subprofessional grade, shall include all classes of positions the duties of which are to perform, under general supervision, subordinate, but responsible work of a professional, scientific, or technical character requiring a working knowledge of the principles of the profession, art, or science involved, and the exercise of independent judgment, or to supervise the work of a small number of employees holding positions in grade 6 of this service.

The annual rates of compensation for positions in this grade shall be \$2,300, \$2,400, \$2,500, \$2,600, \$2,700, \$2,800, and \$2,900.

Grade 8 in this service, which may be referred to as the chief subprofessional grade, shall include all classes of positions the duties of which are to perform, under general supervision, sub-

ordinate but difficult and responsible work of a professional, scientific, or technical character, requiring a thorough working knowledge of the principles of the profession, art, or science involved, and the exercise of independent judgment, or to supervise the work of a small number of employees holding positions in grade 7 of this service.

The annual rates of compensation for positions in this grade shall be \$2,600, \$2,700, \$2,800, \$2,900, \$3,000, \$3,100, and \$3,200.

CLERICAL, ADMINISTRATIVE, AND FISCAL SERVICE

The clerical, administrative, and fiscal service shall include all classes of positions the duties of which are to perform clerical, administrative, or accounting work, or any other work commonly associated with office, business, or fiscal administration.

Grade 1 in this service, which may be referred to as the under-clerical grade, shall include all classes of positions the duties of which are to perform, under immediate supervision, the simplest routine office work.

The annual rates of compensation for positions in this grade shall be \$1,260, \$1,320, \$1,380, \$1,440, \$1,500, \$1,560, and \$1,620.

Grade 2 in this service, which may be referred to as the junior clerical grade shall include all classes of positions the duties of which are to perform under immediate supervision, assigned office work requiring training or experience but not the exercise of independent judgment.

The annual rates of compensation for positions in this grade shall be \$1,440, \$1,500, \$1,560, \$1,620, \$1,680, \$1,740, and \$1,800.

Grade 3 in the service, which may be referred to as the assistant clerical grade shall include all classes of positions the duties of which are to perform, under immediate or general supervision, assigned office work requiring training and experience and knowledge of a specialized subject matter or the exercise of independent judgment or to supervise a small section performing simple clerical operations.

The annual rates of compensation for positions in this grade shall be \$1,620, \$1,680, \$1,740, \$1,800, \$1,860, \$1,920, and \$1,980.

Grade 4 in this service, which may be referred to as the main clerical grade, shall include all classes of positions the duties of which are to perform, under immediate or general supervision, responsible office work requiring training and experience, the exercise of independent judgment or knowledge of a specialized subject matter or both, and an acquaintance with office procedure and practice, or to supervise a small stenographic section or a small section performing clerical operations of corresponding difficulty.

The annual rates of compensation for positions in this grade shall be \$1,800, \$1,860, \$1,920, \$1,980, \$2,040, \$2,100, and \$2,160.

Grade 5 in this service, which may be referred to as the senior clerical grade, shall include all classes of positions the duties of which are to perform, under general supervision, difficult and responsible office work requiring considerable training and experience, the exercise of independent judgment or knowledge of a specialized subject matter or both, and a thorough knowl-

edge of office procedure and practice, or to supervise a large stenographic section or any large section performing simple clerical operations or to supervise a small section engaged in difficult but routine office work.

The annual rates of compensation for positions in this grade shall be \$2,000, \$2,100, \$2,200, \$2,300, \$2,400, \$2,500, and \$2,600.

Grade 6 in this service, which may be referred to as the principal clerical grade, shall include all classes of positions the duties of which are to perform, under general supervision, exceptionally difficult and responsible office work requiring extended training and experience, the exercise of independent judgment or knowledge of a specialized and complex subject matter, or both, and a thorough knowledge of office procedure and practice, or to serve as the recognized authority or adviser in matters requiring long experience and an exceptional knowledge of the most difficult and complicated procedure or of a very difficult and complex subject, or to supervise a large or important office organization engaged in difficult or varied work.

The annual rates of compensation for positions in this grade shall be \$2,300, \$2,400, \$2,500, \$2,600, \$2,700, \$2,800, and \$2,900.

Grade 7 in this service, which may be referred to as the assistant administrative grade, shall include all classes of positions the duties of which are to perform, under general supervision, responsible office work along specialized and technical lines requiring specialized training and experience and the exercise of independent judgment, or as chief clerk to supervise the general business operations of a small, independent establishment or a minor bureau or division of an executive department, or to supervise a large or important office organization engaged in difficult and specialized work.

The annual rates of compensation for positions in this grade shall be \$2,600, \$2,700, \$2,800, \$2,900, \$3,000, \$3,100, and \$3,200.

Grade 8 in this service, which may be referred to as the associate administrative grade, shall include all classes and positions the duties of which are to perform, under general supervision, difficult and responsible office work along specialized and technical lines requiring specialized training and experience and the exercise of independent judgment, or to supervise a large or important office organization engaged in work involving specialized training on the part of the employees.

The annual rates of compensation for positions in this grade shall be \$2,900, \$3,000, \$3,100, \$3,200, \$3,300, \$3,400, and \$3,500.

Grade 9 in this service, which may be referred to as the full administrative grade, shall include all classes of positions the duties of which are to perform, under general supervision, exceptionally difficult and responsible office work along specialized and technical lines, requiring considerable specialized training and experience and the exercise of independent judgment, or as chief clerk, to supervise the general business operations of a large independent establishment or a major bureau or division of an executive department, or to supervise a large or important office organization engaged in work involving technical training on the part of the employees.

The annual rates of compensation for positions in this grade shall be \$3,200, \$3,300, \$3,400, \$3,500, \$3,600, \$3,700, and \$3,800.

Grade 10 in this service, which may be referred to as the senior administrative grade, shall include all classes of positions the duties of which are to perform, under general supervision, the most difficult and responsible office work along specialized and technical lines, requiring extended training, considerable experience, and the exercise of independent judgment, or to supervise a large or important office organization engaged in work involving considerable technical training and experience on the part of the employees.

The annual rates of compensation for positions in this grade shall be \$3,500, \$3,600, \$3,700, \$3,800, \$3,900, \$4,000, and \$4,100.

Grade 11 in this service, which may be referred to as the principal administrative grade, shall include all classes of positions the duties of which are to perform the most difficult and responsible office work along specialized and technical lines requiring extended training and experience, and the exercise of independent judgment, or to supervise a large or important office organization engaged in work involving extended training and considerable experience on the part of the employees.

The annual rates of compensation for positions in this grade shall be \$3,800, \$4,000, \$4,200, \$4,400, and \$4,600.

Grade 12 in this service, which may be referred to as the head administrative grade, shall include all classes of positions the duties of which are to perform the most difficult and responsible office work along specialized and technical lines requiring extended training and experience, the exercise of independent judgment, and the assumption of full responsibility for results, or to supervise a large and important office organization engaged in work involving extended training and experience on the part of the employees.

The annual rates of compensation for positions in this grade shall be \$4,600, \$4,800, \$5,000, \$5,200, and \$5,400, unless a higher rate is specifically authorized by law.

Grade 13 in this service, which may be referred to as the chief administrative grade, shall include all classes of positions the duties of which are to act as assistant head of a major bureau, or to act as administrative head of a major subdivision of such a bureau, or to act as head of a small bureau, in case professional or scientific training is not required, or to supervise the design and installation of office systems, methods, and procedures, or to perform work of similar importance, difficulty, and responsibility.

The annual rates of compensation for positions in this grade shall be \$5,600, \$5,800, \$6,000, \$6,200, and \$6,400, unless a higher rate is specifically authorized by law.

Grade 14 in this service, which may be referred to as the executive grade, shall include all classes of positions the duties of which are to act as assistant head of one of the largest and most important bureaus, or to act as head of a major bureau, in case professional or scientific training is not required, or to supervise the design of systems of accounts for use by private corporations subject to regulation by the United States, or to act as

the technical consultant to a department head or a commission or board in connection with technical or fiscal matters, or to perform work of similar importance, difficulty, and responsibility.

The annual rates of compensation for positions in this grade shall be \$6,500, \$6,750, \$7,000, \$7,250, \$7,500, unless a higher rate is specifically authorized by law.

Grade 15 in this service, which may be referred to as the senior executive grade, shall include all classes of positions, the duties of which are to act as the head of one of the largest and most important bureaus, in case professional or scientific training is not required, or to perform work of similar importance, difficulty, and responsibility.

The annual rates of compensation for positions in this grade shall be \$8,000, \$8,250, \$8,500, \$8,750, \$9,000, unless a higher rate is specifically authorized by law.

CRAFTS, PROTECTIVE, AND CUSTODIAL SERVICE

The crafts, protective, and custodial service shall include all classes of positions the duties of which are to supervise or perform the work of an apprentice, helper, or journeyman in a recognized trade or craft, or other skilled mechanical craft, or the work of an unskilled or skilled laborer, or police or fire protection work, or domestic or other manual or mechanical work involved in the protection, operation, or maintenance of public buildings, premises, and equipment; the transportation of public officers, employees, and property; the transmission of official papers; the guarding of persons in the custody of the Government, and caring for their domestic needs and those of persons in the employ or care of the Government.

Grade 1 in this service, which may be referred to as the junior messenger grade, shall include all classes of positions, the duties of which are to run errands, to check parcels, or to perform other light manual or mechanical tasks with little or no responsibility.

The annual rates of compensation for positions in this grade shall be \$720, \$780, \$840, \$900, and \$960.

Grade 2 in this service, which may be referred to as the office-laborer grade, shall include all classes of positions the duties of which are to handle desks, mail sacks, and other heavy objects, and to perform similar work ordinarily required of unskilled laborers; to operate elevators; to clean office rooms; or to perform other work of similar character.

The annual rates of compensation for positions in this grade shall be \$1,200, \$1,260, \$1,320, \$1,380, \$1,440, and \$1,500: *Provided*, That charwomen working part time be paid at the rate of 65 cents an hour, and head charwomen at the rate of 70 cents an hour.

Grade 3 in this service, which may be referred to as the minor crafts, protective, and custodial grade, shall include all classes of positions the duties of which are to perform, under immediate supervision, custodial, or manual office work with some degree of responsibility, such as operating paper-cutting, canceling, envelope-opening, or envelope-sealing machines; firing and keeping

up steam in boilers used for heating purposes in office buildings, cleaning boilers, and oiling machinery and related apparatus; operating passenger or freight automobiles; packing goods for shipment; supervising a large group of charwomen; running errands and doing light manual or mechanical tasks with some responsibility; carrying important documents from one office to another; or attending the door and private office of a department head or other public officer.

The annual rate of compensation for positions in this grade shall be \$1,320, \$1,380, \$1,440, \$1,500, \$1,560, and \$1,620.

Grade 4 in this service, which may be referred to as the under crafts, protective, and custodial grade, shall include all classes of positions the duties of which are to perform, under general supervision, custodial work of a responsible character, such as guarding office or storage buildings; supervising a small force of unskilled laborers; firing and keeping up steam in heating apparatus and operating the boilers and other equipment used for heating purposes; or performing general, semimechanical, new, or repair work requiring some skill with tools.

The annual rates of compensation for positions in this grade shall be \$1,500, \$1,560, \$1,620, \$1,680, \$1,740, \$1,800, and \$1,860.

Grade 5 in this service, which may be referred to as the junior crafts, protective, and custodial grade, shall include all classes of positions the duties of which are to directly supervise a small detachment of watchmen or building guards; to supervise the operation and maintenance of a small heating plant and its auxiliary equipment; or to perform other work of similar character.

The annual rates of compensation for positions in this grade shall be \$1,680, \$1,740, \$1,800, \$1,860, \$1,920, \$1,980, and \$2,040.

Grade 6 in this service, which may be referred to as the assistant crafts, protective, and custodial grade, shall include all classes of positions the duties of which are to have general supervision over a small force of watchmen or building guards, or to have direction of a considerable detachment of such employees; to supervise a large force of unskilled laborers; to repair office appliances; or to perform other work of similar character.

The annual rates of compensation for positions in this grade shall be \$1,860, \$1,920, \$1,980, \$2,040, \$2,100, \$2,160, and \$2,220.

Grade 7 in this service, which may be referred to as the main crafts, protective, and custodial grade, shall include all classes of positions the duties of which are to supervise the work of skilled mechanics; to supervise the operation and maintenance of a large heating, lighting, and power plant and all auxiliary mechanical and electrical devices and equipment; to assist in the supervision of large forces of watchmen and building guards, or to have general supervision over smaller forces; or to perform other work of similar character.

The annual rates of compensation for positions in this grade shall be \$2,040, \$2,100, \$2,160, \$2,220, \$2,300, \$2,400, and \$2,500.

Grade 8 in this service, which may be referred to as the senior crafts, protective, and custodial grade, shall include all classes of positions the duties of which are to direct supervisory and office assistants, mechanics, watchmen, elevator conductors, laborers,

janitors, messengers, and other employees engaged in the custody, maintenance, and protection of a small building, or to assist in the direction of such employees when engaged in similar duties in a large building; to have general supervision over large forces of watchmen and building guards; or to perform other work of equal difficulty and responsibility.

The annual rates of compensation for positions in this grade shall be \$2,200, \$2,300, \$2,400, \$2,500, \$2,600, \$2,700, and \$2,800. (Mar. 4, 1923, ch. 265, § 13, 42 Stat. 1491; June 7, 1924, ch. 378, 43 Stat. 669; May 28, 1928, ch. 814, § 1, 45 Stat. 776; July 3, 1930, ch. 850, § 1, 46 Stat. 1003; Aug. 23, 1935, ch. 617, 49 Stat. 724; Aug. 1, 1941, ch. 346, § 4, 55 Stat. 673; Aug. 1, 1942, ch. 543, § 1, 56 Stat. 733.)

AMENDMENTS

1942—Act Aug. 1, 1942, cited to text, amended the compensation paragraphs for grades 1 and 2 of "Subprofessional Service" and also amended the title, opening paragraphs, and grades 1-8 of "Crafts, Protective and Custodial Service."

1941—Act Aug. 1, 1941, cited to text, amended Grades 14 and 15 under "Clerical Administrative, and Fiscal Service" by substituting "\$6,500, \$6,750, \$7,000, \$7,250, \$7,500" for "\$6,500, \$7,000, and \$7,500", and "\$8,000, \$8,250, \$8,750, \$9,000" for "\$8,000, \$8,500, and \$9,000", respectively. Said act also amended Grades 7 and 8 under "Professional and Scientific Service" by substituting "\$6,500, \$6,750, \$7,000, \$7,250, \$7,500" for "\$6,500, \$7,000, and \$7,500", and "\$8,000, \$8,250, \$8,500, \$9,000" for "\$8,000, \$8,500, and \$9,000," respectively.

ADJUSTMENT OF PAY AND ALLOCATION OF POSITIONS

Section 3 of act Aug. 1, 1942, cited to text, provided as follows: "In adjusting initially the rates of pay of employees affected by the provisions of this Act (amending title 5, §§ 673, 681, (d) (viii)), the rules prescribed by section 6 of the Classification Act of 1923, as amended (section 666 of this title), shall govern: *Provided*, That existing allocations of positions previously made by the Civil Service Commission in the custodial service shall be used for initial pay-adjustment purposes under this Act and shall remain in effect until changed by the Civil Service Commission under provisions of this Act: *Provided further*, That in the case of positions subject to the allocation jurisdiction of the Civil Service Commission, and allocable to new grades six, seven, eight, nine, and ten of the professional and scientific service or new grades thirteen, fourteen, fifteen, sixteen, and seventeen of the clerical, administrative, and financial service, no such position shall be allocated to any of such new grades nor any incumbent paid any increased rate under this Act, unless and until the position concerned has been finally allocated to such grade by the Civil Service Commission in accordance with the provisions of this Act: *And provided further*, That nothing contained in this Act shall operate to decrease the pay of any present employee."

APPROPRIATIONS

Sums sufficient to carry out the provisions of act Aug. 1, 1942, cited to text, were appropriated by section 4 of said act.

CROSS REFERENCES

Appropriations, repeal, effective date relative to amendment of Aug. 1, 1941, see note under section 667 of this title.

Field positions in grades affected by act Aug. 1, 1942, cited to text, adjustment of compensation by department heads, see note under section 678 of this title.

§ 673b. Ascertainment of facts as to duties and responsibilities of positions; review of allocations; change of allocation as affecting pay of incumbent.—The Civil Service Commission shall have

authority to ascertain currently the facts as to the duties and responsibilities of any such position and to review and, subject to the President's approval, to change the allocation thereof whenever in its opinion, the facts warrant: *Provided*, That such review and change shall be made only after consultation with the heads of the departments concerned and after affording all incumbents of positions affected an opportunity to be heard, of which hearing a permanent written record shall be made and kept, including all testimony taken: *Provided further*, That in all cases where the commission shall change the allocation of a position to a lower grade the rate of pay fixed for such position prior to such change may be continued so long as the position is held by the incumbent then occupying it. (July 3, 1930, ch. 850, § 4, 46 Stat. 1005; June 30, 1932, ch. 314, § 505, 47 Stat. 416.)

ABOLISHMENT OF BOARD

The Personnel Classification Board was abolished and its duties, functions, etc., transferred to the Civil Service Commission by act June 30, 1932, cited to text.

§ 673c. Restoration of wage rates; adjustment of weekly rates and hours of employees.—The weekly compensation, minus any general percentage reduction which may be prescribed by Act of Congress, for the several trades and occupations, which is set by wage boards or other wage-fixing authorities, shall be re-established and maintained at rates not lower than necessary to restore the full weekly earnings of such employees in accordance with the full-time weekly earnings under the respective wage schedules in effect on June 1, 1932: *Provided*, That the regular hours of labor shall not be more than forty per week; and all overtime shall be compensated for at the rate of not less than time and one half.

Where the adjustment of regular hours of duty of employees subject to the provisions of the preceding paragraph requires the adjustment of regular hours of duty of any employee whose compensation is fixed under sections 661-663, 664-673 and 674 of this title, the aggregate weekly earnings of such employee whose compensation is fixed under sections 661-663, 664-673 and 674 of this title, for full-time service shall not be less by reason of such adjustment than his aggregate weekly earnings for full-time service prior to March 28, 1934. Full-time service within the meaning of this paragraph shall not be less than forty hours per week. For the purposes of this paragraph, authority is hereby granted to adjust the hourly rates of compensation of employees whose compensation is fixed under sections 661-663, 664-673 and 674 of this title, to such extent as may be necessary to make the aggregate compensation for a forty-hour week equal to the compensation for a full-time week prior to March 28, 1934. (Mar. 28, 1934, ch. 102, title II, § 23, 48 Stat. 522; June 26, 1936, ch. 832, § 1, 49 Stat. 1969.)

EFFECTIVE DATE

Section 2 of act June 26, 1936, ch. 832, cited to the text, provided that the second paragraph of this section should become effective on July 1, 1936.

§ 674. Estimates of expenditures and appropriations in Budget to conform to classifications; rates of compensation, when effective.—The estimates of the expenditures and appropriations set forth in the Budget to be transmitted by the President to Congress on the first day of the next ensuing regular season shall conform to the classification herein provided, and the rates of salary in the compensation schedules shall not become effective until the first day of the fiscal year estimated for in such Budget. (Mar. 3, 1923, ch. 265, § 14, 42 Stat. 1499.)

§ 677. Salaries of persons in the field service; payment.—Those civilian positions in the field services under the several executive departments and independent establishments, the compensation of which was fixed or limited by law but adjusted for the fiscal year 1925 under the authority and appropriations contained in the Act entitled “An Act making additional appropriations for the fiscal year ending June 30, 1925, to enable the heads of the several executive departments and independent establishments to adjust the rates of compensation of civilian employees in certain of the field services”, approved December 6, 1924 (43 Stat. 704), may be paid under the applicable appropriations for the fiscal year 1929 and thereafter at rates not in excess of those permitted for them under the provisions of such Act of December 6, 1924. (Mar. 5, 1928, ch. 126, § 2, 45 Stat. 193.)

CROSS REFERENCE

Adjustment by heads of departments of compensation of certain civilian positions in the field services, see sections 678, of this title.

§ 678. Same; adjustment by heads of executive departments and independent establishments.—The heads of the several executive departments and independent establishments are authorized to adjust the compensation of certain civilian positions in the field services, the compensation of which was adjusted by the Act of December 6, 1924 (43 Stat. 604), to correspond, so far as may be practicable, to the rates established by section 673 of this title for positions in the departmental services in the District of Columbia: *Provided*, That in all cases where, since December 6, 1924, in such adjustment the position occupied by an employee has been or shall be allocated to a grade with a maximum salary below the salary received by the incumbent, the rate of pay fixed for such position prior to such allocation may be paid after June 16, 1933, so long as the position is held by the incumbent occupying it at the time of such allocation and the Comptroller General of the United States is authorized and directed to allow credit in disbursing officers' accounts for all payments made prior to June 16, 1933, at such higher rates. (May 28, 1928, ch. 814, § 3, 45 Stat. 785; June 16, 1933, ch. 101, § 17, 48 Stat. 308.)

EMPLOYEES AFFECTED BY ACT AUG. 1, 1942

Act Aug. 1, 1942, ch. 543, § 2 (a), 56 Stat. 735, section 1 of which amended pay paragraphs for grades 1 and 2 of “Subprofessional Service” and all of “Crafts, Protective, and Custodial Service” preceding grade 9 thereof in section 673 of this title, and section 2 (b) of which amended section 681 (d) (viii) of this title, provided as follows: “Until such time as the provisions of title II of the Act of November 26, 1940 (Public, Num-

bered 880, Seventy-sixth Congress) (sections 632, 635, 669, 681-684, of this title), becomes effective, the heads of the several executive departments and independent establishments having field positions in the grades affected by this Act (grades 1-8 under Crafts, Protective, and Custodial Service in section 673 of this title), the compensation of which is required to be fixed in accordance with section 13 of the Classification Act of 1923, as amended (section 673 of this title), are authorized and directed to adjust such compensation to conform to the rates established for such grades under this Act."

§ 679. Classified civil service; definition.—The expression "classified civil service" as the same occurs in acts of Congress shall, unless otherwise provided, be construed to include all persons who have been or may be given a competitive status in the classified civil service, with or without competitive examination, by legislative enactment, or under the civil service rules promulgated by the President, or by Executive orders covering groups of employees with their positions into the competitive classified service or authorizing the appointment of individuals to positions within such service. (Mar. 27, 1922, ch. 116, 42 Stat. 470.)

§ 681. Extension of Classification Act by President—(a) Extension of chapter to position in agencies of Government.—Subject to the limitations contained in this section, whenever the President, after such classification and compensation surveys or investigations as he may direct the Commission to undertake, and upon consideration of the Commission's resulting reports and recommendations, shall find and declare that an extension of the provisions of sections 661-673 and 674 of this title, to any offices or positions in the agencies of the Government is necessary to the more efficient operation of the Government, he may by Executive order extend the provisions of sections 661-673 and 674 of this title, to any such offices or positions not at the time subject to such provisions: *Provided*, That in the case of any federally owned and controlled corporation organized under the laws of any State, Territory, or possession of the United States (including the Philippine Islands), or the District of Columbia, the President is authorized to direct that such action be taken as will permit the compensation of such offices or positions to be fixed in accordance with sections 661-673 and 674 of this title, consistently with the laws of any such State, Territory, or possession, or the District of Columbia, or with the charter or articles of incorporation of any such corporation.

(b) Prescription of additional classification services and grades where necessary.—Whenever the President, upon report and recommendation by the Commission, shall find and declare that one or more officers or positions to which sections 661-673 and 674 of this title, as extended, is applicable, may not fairly and reasonably be allocated to the professional and scientific service, the subprofessional service, the clerical, administrative, and fiscal service, the custodial service, or the clerical-mechanical service, as described in sections 661-673 and 674 of this title, he may by Executive order prescribe and define such additional classification services and grades thereof as he may deem necessary and shall describe, and fix the ranges of compensation for, the grades of such services within the limits of sections 661-673 and 674

of this title, so that they shall be comparable, as nearly as may be, with the grades in said sections for offices or positions that are comparable as to duties, responsibilities, qualifications required, and other conditions of employment.

(c) **Establishment of necessary schedules of differentials in rates prescribed by compensation schedules.**—Whenever the President, upon report and recommendation by the Commission, shall find and declare that the rates of the compensation schedules of sections 661-673 and 674 of this title, are inadequate for any offices or positions under such sections, as extended, he may by Executive order establish necessary schedules of differentials in the rates prescribed in such compensation schedules, but the differentials in the compensation of any such office or position shall not exceed 25 per centum of the minimum rate of the grade to which such office or position is allocated under such compensation schedules: *Provided*, That the provisions of this subsection shall be applicable only to such offices or positions having the following characteristics:

Offices or positions which are located at stations that are isolated, remote, or inaccessible when compared with stations at which offices or positions of the same character are usually located, or which involve physical hardships or hazards that are excessive when compared with those usually involved in offices or positions of the same character, or which are located outside the States of the United States and the District of Columbia: *Provided further* That nothing herein contained shall preclude the Commission from taking the factor of isolation, hardship, hazard, or foreign service into consideration in allocating a given class of offices or positions to a service and grade under sections 661-673 and 674 of this title, if such factor is uniformly involved in each office or position in the class, in which event no differential is authorized under this section.

* * * * *

(e) **Prohibition against racial, religious, or color discrimination.**—In carrying out the provisions of sections 681-684 of this title, and the provisions of sections 661-673 and 674 of this title, there shall be no discrimination against any person, or with respect to the position held by any person, on account of race, creed, or color. (Nov. 26, 1940, ch. 919, title II, § 3, 54 Stat. 1212.)

§ 682. **Same; exclusion of certain offices and positions from Classification Act.**—The President is authorized, after suitable investigation by the Commission, which shall include consultation with representatives of the heads of executive departments and independent agencies, in or under the jurisdiction of which the offices or positions hereinafter designated are located, and upon a finding that such action is necessary to the more efficient operation of the Government, to exclude, by Executive order, from the provisions of sections 661-673 and 674 of this title as extended under sections 681-684 of this title—

Offices or positions on work which is financed jointly by the United States and a State, Territory, or possession of the United States (including the Philippine Islands), or political subdivision thereof, or cooperating persons or organizations outside the

service of the Federal Government, and the pay of which is fixed under a cooperative agreement with the United States; offices or positions, none or only part of the compensation of which is paid from funds of the United States; offices or positions filled by inmates, patients, students, or beneficiaries in Government institutions; offices or positions outside the States of the United States and the District of Columbia filled by natives of Territories or possessions of the United States (including the Philippine Islands) or foreign nationals; emergency or seasonal offices or positions in the field service, or other field offices or positions, the duties of which are of purely temporary duration, or which are required only for brief periods at intervals; and offices or positions filled by persons employed locally on a fee, contract, or piece-work basis who may lawfully perform their duties concurrently with their private profession, business, or other employment and whose duties require only a portion of their time, where it is impracticable to ascertain or anticipate the proportion of time devoted to the service of the Federal Government. (Nov. 26, 1940, ch. 919, title II, § 4, 54 Stat. 1214.)

§ 683. Same; allocation to services, grades, and classes, and fixing initial compensation of positions and offices.—When any extension of sections 661-673 and 674 of this title, becomes effective under sections 681-684 of this title—

(a) The allocations of offices or positions to services, grades, and classes shall be made as set forth in section 664 of this title and in accordance with a uniform procedure to be prescribed by the Commission; and

(b) The initial compensation of the incumbents of the offices or positions to which the provisions of sections 661-673 and 674 of this title are extended under sections 681-684 of this title, shall be fixed in accordance with section 666 of this title. (Nov. 26, 1940, ch. 919, title II, § 5, 54 Stat. 1215.)

§ 684. Same; effect on promotions and applications of veteran-preference provisions.—Nothing contained in sections 631a, 631b, 681-684, and the last paragraph of section 669 of this title shall be construed to prevent the promotion of an officer or employee from an office or position in one class to a vacant office or position in a higher class at any time in accordance with civil-service laws, and when so promoted the officer or employee shall receive compensation according to the schedule established for the class to which he is promoted. Nor shall anything in section 631a, 631b, 681-684, and the last paragraph of section 669 of this title be construed to prevent the application of the existing veteran-preference provisions in civil-service laws, Executive orders, and rulings. (Nov. 26, 1940, ch. 919, title II, § 6, 54 Stat. 1215.)

RETIREMENT OF CIVIL SERVICE EMPLOYEES

§ 691. Voluntary retirement; involuntary retirement of disqualified employees; payment of annuities; automatic separation.—(a) All officers and employees to whom this chapter applies who shall have attained, or shall hereafter attain the age of seventy years and have rendered at least fifteen years of service computed as prescribed in section 707 of this title shall be

eligible for retirement on an annuity as provided in section 698 of this title.

(b) Any officer or employee to whom this chapter applies who shall have attained, or shall hereafter attain the age of sixty years and have rendered at least thirty years of service computed as prescribed in section 707 of this title, or who shall have attained, or shall hereafter attain the age of sixty-two years and have rendered at least fifteen years of such service may, upon his own option, retire and shall be paid an annuity computed as provided in section 698 of this title.

(c) The head of a department or independent Government agency concerned may request the retirement of any such officer or employee described in subsection (b) of this section who, by reason of a disqualification is unable to perform satisfactorily and efficiently the duties of his position or some other position of the same grade or class as that occupied by the employee and to which he could be assigned. No such request shall be submitted to the Civil Service Commission unless and until the said officer or employee has been notified in writing of the proposed retirement. Each such officer or employee shall, upon request by him, have opportunity for a hearing before the Civil Service Commission, at which hearing the officer or employee may appear in person or he may be represented by a person of his choice. No such officer or employee shall be so retired unless the Civil Service Commission after examination finds that he is so disqualified. The determination of the Civil Service Commission as to whether the officer or employee shall be retired under this subsection shall be final and conclusive. Any person so retired shall be paid an annuity computed as provided in section 698 of this title. Nothing in this subsection shall be deemed to authorize any person to request the retirement of any officer or employee in the legislative branch of the Government within the classes of officers and employees which were made eligible for the benefits of this chapter by sections 693b-693d, 698b, 715d, and 719a of this title, or any employee of the office of the Architect of the Capitol.

(d) Any officer or employee who has completed thirty years of service computed in accordance with the provisions of section 707 of this title and who has reached or may hereafter reach the age of fifty-five years may voluntarily retire and shall be paid an immediate life annuity beginning on the first day of the month following the date of separation from the service having a value equal to the present worth of a deferred annuity at the age of sixty years computed as provided in section 698 of this title.

If none of the options provided in this section is exercised prior to the date upon which the officer or employee would otherwise be eligible for retirement from the service, the provisions of this chapter with respect to automatic separation from the service shall apply. (As amended July 3, 1926, ch. 801, § 1, 44 Stat. 904; May 29, 1930, ch. 349, § 1, 46 Stat. 468; Jan. 24, 1942, ch. 16, § 1, 56 Stat. 13; Mar. 7, 1942, ch. 166, § 16 (a), 56 Stat. 147.)

AMENDMENTS

1942—Act Jan. 24, 1942, cited to text, amended section by striking out former provisions and substituting new text.

Subsec. (c) was amended by act Mar. 7, 1942, cited to text, which struck out "any elective officer," after "retirement of" in last sentence thereof.

CONSTRUCTION AND EFFECTIVE DATE OF ACT JAN. 24, 1942

Sections 10 and 11 of act Jan. 24, 1942, which act affected sections 691, 693, 698, 715, 718a, 719, 724, 733, 735, 736, and 736b of this title, provided as follows:

"Sec. 10. Nothing in this Act shall be so construed as to affect any rights of persons separated prior to the effective date of this Act, but all such rights shall continue and may be enforced in the same manner as though this Act had not been made.

"Sec. 11. This Act shall take effect upon approval except as otherwise provided herein."

REIMBURSEMENT OF OFFICERS MADE INELIGIBLE BY ACT MAR. 7, 1942

Section 16 (d) of act Mar. 7, 1942, cited to text, provided as follows: "The amounts deducted and withheld from the basic salary, pay, or compensation of any officer made ineligible for the benefits of such Act of May 29, 1930, as amended (Title 5, § 691 et seq.), by the amendments made by this section to such Act of May 29, 1930 (affecting Title 5, §§ 691 (c), 693 (a), and 715 (a)), and deposited to the credit of the civil-service retirement and disability fund, and any additional amounts paid into such fund by such officer, shall be returned to such officer within thirty days after the date of enactment of this Act."

HISTORY OF CIVIL SERVICE RETIREMENT ACTS

Act May 22, 1920, cited to text, was the original Civil Service Retirement Act and as such was the basis of this chapter. Acts July 3, 1926, and May 29, 1930, also cited, purported to be general amendments of the 1920 act and acts amendatory thereof, and of the 1926 act, respectively; yet despite their declared purport each appears to have been treated actually as a basic act, superseding all prior enactments.

Word "chapter" in this section refers to the entire act of May 29, 1930, cited to text, which affected sections 691, 693, 698, 706-715, 716-719-1, 720-736, 736b, and 736c of this title.

CROSS REFERENCES

Automatic separation generally, see section 715 et seq. of this title.

Definition of term "department" as used in this section, see note under section 693 of this title.

§ 693. Employees included.—(a) This chapter shall apply to all officers and employees in or under the executive, judicial, and legislative branches of the United States Government, and to all officers and employees of the municipal government of the District of Columbia, except elective officers and heads of executive department: *Provided*, That this chapter shall not apply to any such officer or employee of the United States or of the municipal government of the District of Columbia subject to another retirement system for such officers and employees of such governments: *Provided further*, That this chapter shall not apply to any officer or employee in the legislative branch of the Government within the classes of officers and employees which were made eligible for the benefits of this chapter by sections 693b-693d, 698b, 715d, and 719a of this title, until he gives notice in writing to the disbursing officer by whom his salary is paid, of his desire to come within the purview of this chapter; and any officer or employee within such classes may, within sixty days after January 24, 1942, withdraw from the purview of this chapter by giving similar notice of such desire. In the case of any officer or employee in the service of the legislative branch of the Government

on January 24, 1942, such notice of desire to come within the purview of this chapter must be given within the calendar year 1942. In the case of any officer or employee of the legislative branch of the Government who enters the service after January 24, 1942, such notice of desire to come within the purview of this chapter must be given within six months after the date of entrance to the service.

(b) The President shall have power, in his discretion, to exclude from the operation of this chapter any officer or employee or group of officers or employees in the executive branch of the service whose tenure of office or employment is intermittent or of uncertain duration.

(c) The provisions of this chapter shall not apply to employees of the Senate or the House of Representatives whose employment is temporary or of uncertain duration; and the Architect of the Capitol is authorized to exclude from the operation of this chapter any employees under the Office of the Architect of the Capitol whose tenure of employment is temporary or of uncertain duration. (As amended July 3, 1926, ch. 801, § 3, 44 Stat. 905; May 29, 1930, ch. 349, § 3, 46 Stat. 470; July 3, 1930, ch. 863, §§ 1-5, 46 Stat. 1016, 1017; June 23, 1936, ch. 728, 49 Stat. 1888; Aug. 4, 1939, ch. 426, § 1, 53 Stat. 1200; Jan. 24, 1942, ch. 16, § 3, 56 Stat. 15; Mar. 7, 1942, ch. 166, § 16 (c), 56 Stat. 147.)

AMENDMENTS

1942—Act Jan. 22, 1942, cited to text, amended act May 29, 1930, also cited, by striking out all thereof and inserting in lieu thereof the material therein set out. The section had previously consisted of subsecs. (a)-(h).

Subsec. (a) was amended by act Mar. 7, 1942, cited to text.

REFERENCES IN TEXT

Word "chapter" read "Act" in amendatory acts cited to text.

CONSTRUCTION AND EFFECTIVE DATE

Act Jan. 24, 1942, cited to text, effective date and construction with regard to rights of persons separated prior thereto, see note under section 691 of this title.

"DEPARTMENT" IN SUBSECTION (A) DEFINED

Section 1 (d) of act Mar. 7, 1942, cited to text, provided as follows: "(d) the term 'department', including such term when used in the amendment made by section 16 (section 1016 of Appendix to Title 50, amending Title 5, §§ 691, 693, and 715), means any executive department, independent establishment, or agency (including corporations) in the executive branch of the Federal Government." Said section 1 (d) was made effective from Sept. 8, 1939, until twelve months after the termination of the present war, as proclaimed by the President, by provision of section 15 of that act, constituting section 1015 of Appendix to Title 50, War.

CROSS REFERENCES

Reimbursement of officers made ineligible for benefits by act Mar. 7, 1942, cited to text, see note under section 691 of this title.

§ 698. **Method of computing annuities.**—(a) The annuity of an employee retired under the provisions of the preceding sections of this chapter shall be a life annuity, terminable upon the death of the annuitant and shall be composed of (1) a sum equal to \$30 for each year of service not exceeding thirty: *Provided*, That such portion of the annuity shall not exceed three-fourths of

the average annual basic salary, pay, or compensation received by the employee during any five consecutive years of allowable service at the option of the employee; nor shall such portion be less than an amount equal to the employee's purchasable annuity as provided in (2) hereof; and (2) the amount of annuity purchasable with the sum to the credit of the employee's individual account as provided in section 724 (a) hereof, together with interest of 4 per centum per annum compounded on June 30 of each year, according to the experience of the civil-service retirement and disability fund as may from time to time be set forth in tables of annuity values by the Board of Actuaries.

(b) The total annuity paid shall in no case be less than an amount equal to the average annual basic salary, pay, or compensation, not to exceed \$1,600 per annum, received by the employee during any five consecutive years of allowable service at the option of the employee, multiplied by the number of years of service, not exceeding thirty years, and divided by forty; nor shall such total annuity paid be less than an amount equal to the average annual basic salary, pay, or compensation received by the employee during any five consecutive years of allowable service at the option of the employee, multiplied by the number of years of service, not exceeding thirty-five years, and divided by seventy.

(c) Any employee at the time of his retirement may elect to receive, in lieu of the life annuity herein described, an increased annuity of equivalent value which shall carry with it a proviso that no unexpended part of the principal upon the annuitant's death shall be returned.

(d) Any employee retiring under the provisions of section 691 of this title may at the time of his retirement elect to receive in lieu of the life annuity described herein a reduced annuity payable to him during his life, and an annuity after his death payable to his beneficiary, duly designated in writing and filed with the Civil Service Commission at the time of his retirement, during the life of such beneficiary (a) equal to or (b) 50 per centum of such reduced annuity and upon the death of such surviving beneficiary all payments shall cease and no further annuity shall be due or payable. The amounts of the two annuities shall be such that their combined actuarial value on the date of retirement as determined by the Civil Service Commission shall be the same as the actuarial value of the single life increased annuity with forfeiture provided by this section: *Provided*, That no election in lieu of the life annuity provided herein shall become effective in case an employee dies within thirty days after the effective date of retirement, and in the event of such death within this period, such death shall be considered as a death in active service.

(e) For the purpose of this chapter all periods of service shall be computed in accordance with section 707 hereof, and the annuity shall be fixed at the nearest multiple of twelve.

(f) The term "basic salary, pay, compensation," wherever used in the this chapter, shall be so construed as to exclude from the operation of the chapter, all bonuses, allowances, overtime pay, or salary, pay, or compensation given in addition to the base pay of the position as fixed by law or regulations. (May 22, 1920,

ch. 195, § 2, 41 Stat. 614; July 3, 1926, ch. 801, § 4, 44 Stat. 907; May 29, 1930, ch. 349, § 4, 46 Stat. 471; Aug. 4, 1939, ch. 426, § 2, 53 Stat. 1201; Jan. 24, 1942, ch. 16, § 4, 56 Stat. 16.)

EFFECTIVE DATE

Act August 4, 1939, cited to text, was made effective January 1, 1940, by section 5 of said act.

AMENDMENTS

1942—Subsection (b) was amended by act Jan. 24, 1942, cited to text, which added matter following semicolon.

CONSTRUCTION AND EFFECTIVE DATE

Act Jan. 24, 1942, cited to text, effective date and construction with regard to rights of persons separated prior thereto, see note under section 691 of this title.

CROSS REFERENCES

Authorization of annuity payments, see section 691 of this title.

History of civil service retirement acts, see note under section 693 of this title.

§ 706. Basic salary, pay, or compensation defined.—The term “basic salary, pay, or compensation”, wherever used in this chapter, shall be so construed as to exclude from the operation of the said sections all bonuses, allowances, overtime pay, or salary, pay, or compensation given in addition to the base pay of the position as fixed by law or regulation. (May 22, 1920, ch. 195, § 2, 41 Stat. 615; July 3, 1926, ch. 801, § 4, 44 Stat. 907; May 29, 1930, ch. 349, § 4, 46 Stat. 471.)

REFERENCES IN TEXT

The term “chapter” as used in this section refers to act of May 29, 1930, cited to text, which purported to amend act of May 22, 1920, cited to text, although the 1930 act was an entire new one.

§ 707. Computation of period service.—Subject to the provisions of section 736b of this title the aggregate period of service which forms the basis for calculating the amount of any benefit provided in sections 691, 693, 698, 706-715, 716-719, 720-736, 736b, and 736c of this title, shall be computed from the date of original employment, whether as a classified or an unclassified employee in the civil service of the United States, or in the service of the District of Columbia, including periods of service at different times and in one or more departments, branches, or independent offices, or the legislative branch of the Government, and also periods of service performed overseas under the authority of the United States, and periods of honorable service in the Army, Navy, Marine Corps, or Coast Guard of the United States; in the case of an employee, however, who is eligible for and receives retired pay on account of military or naval service, the period of service upon which such retired pay is based shall not be included; in the case of an employee who is eligible for and receives a pension on account of non-service-connected disability under laws administered by the Veterans' Administration the minimum period of service necessary to entitle him to pension shall not be included; but in the case of an employee who is eligible for and receives pension or compensation under laws administered by the Veterans' Administration on account of service-connected

disability, all honorable military or naval service shall be included; and nothing in sections 691, 693, 698, 706-715, 716-719, 720-736, 736b, and 736c of the title, shall be construed as to affect in any manner an employee's right to retired pay, pension, or compensation in addition to the annuity therein provided.

In computing length of service for the purpose of this chapter all periods of separation from the service, and so much of any leaves of absence as may exceed six months in the aggregate in any calendar year, shall be excluded, except such leaves of absence granted employees while receiving benefits under sections 751-791 and 793 of this title, and in the case of substitutes in the Postal Service credit shall be given from date of original appointment as a substitute.

In determining the aggregate period of service upon which the annuity is to be based, the fractional part of a month, if any, in the total service shall be eliminated. (May 22, 1920, ch. 195; § 3, 41 Stat. 615; July 3, 1926, ch. 801, § 5, 44 Stat. 907; May 29, 1930, ch. 349, § 5, 46 Stat. 472; Oct. 14, 1940, ch. 859, § 1, 54 Stat. 1116.)

EFFECTIVE DATE

First paragraph was amended by act Oct. 14, 1940, cited to text. Section 5 of said act Oct. 14, 1940, provided as follows: "SEC. 5. This Act shall take effect the 1st day of the month next succeeding the date of enactment. Any person separated from the service prior to such effective date may, upon request, have his claim for retirement adjudicated under the terms of this Act; but no increase in annuity shall be allowed prior to such effective date nor shall this Act be construed so as to reduce the annuity of any person separated prior to its effective date."

§ 709. Powers and duties of Civil Service Commission.—For the purpose of administration, except as otherwise provided herein, the Civil Service Commission is hereby authorized and directed to perform, or cause to be performed, any and all acts and to make such rules and regulations as may be necessary and proper for the purpose of carrying the provisions of this chapter into full force and effect. (May 22, 1920, ch. 195, § 4, 41 Stat. 616; July 3, 1926, ch. 801, § 17, 44 Stat. 913; May 29, 1930, ch. 349, § 17, 46 Stat. 478; July 3, 1930, ch. 863, § 2, 46 Stat. 1016; Apr. 7, 1934, Ex. Ord. No. 6670.)

§ 710. Retirement for disability; employees entitled to; application; medical examination.—Any employee to whom this chapter applies who shall have served for a total period of not less than five years, and who, before becoming eligible for retirement under the conditions defined in sections 691, 693, 698, 706, 707, 715 of this title, becomes totally disabled for useful and efficient service in the grade or class of position occupied by the employee, by reason of disease or injury not due to vicious habits, intemperance, or willful misconduct on the part of the employee, shall upon his own application or upon the request or order of the head of the department, branch, or independent office concerned, be retired on an annuity computed in accordance with the provisions of section 698 of this title: *Provided*, That proof of freedom from vicious habits, intemperance, or willful misconduct for a period of more than five years next prior to becoming so disabled for useful and efficient service, shall not be required in any case.

No claim shall be allowed under the provisions of this section unless the application for retirement shall have been executed prior to the applicant's separation from the service or within six months thereafter: *Provided*, That any employee who heretofore has failed to file an application for retirement within six months after separation from the service, may file such application within three months after July 1, 1930. No employee shall be retired under the provisions of this section unless examined by a medical officer of the United States, or a duly qualified physician or surgeon, or board of physicians or surgeons, designated by the Civil Service Commission for that purpose, and found to be disabled in the degree and in the manner specified herein. The time limitation for execution of claims for retirement under the terms of this section may be waived by the Civil Service Commission in cases of employees who at the date of separation from service or within six months thereafter, are adjudged mentally incompetent, but the application in such cases must be filed with the Civil Service Commission within one year from the date of restoration of any such person to competency or the appointment of a fiduciary whichever is the earlier. In the case of any such person heretofore separated from service application may be filed within one year after the effective date of this section. (May 22, 1920, ch. 195, § 5, 41 Stat. 616; July 3, 1926, ch. 801, § 6, 44 Stat. 907; May 29, 1930, ch. 349, § 6, 46 Stat. 472; July 3, 1930, ch. 863; § 2, 46 Stat. 1016; Apr. 7, 1934, Ex. Ord. No. 6670; Aug. 4, 1939, ch. 4246, §3 (a), 53 Stat. 1202.)

EFFECTIVE DATE

Act August 4, 1939, cited to text, was made effective January 1, 1940, by section 5 of said act.

§ 711. Same; medical examination; restoration to service.—Every annuitant retired under the provisions of sections 710-714 of this title, unless the disability for which retired be permanent in character, shall at the expiration of one year from the date of such retirement and annually thereafter, until reaching retirement age as defined in section 691 of this title, be examined under the direction of the Civil Service Commission by a medical officer of the United States, or a duly qualified physician or surgeon, or board of physicians or surgeons designated by the Civil Service Commission for that purpose, in order to ascertain the nature and degree of the annuitant's disability, if any. If an annuitant shall recover before reaching retirement age and be restored to an earning capacity which would permit him to be appointed to some appropriate position fairly comparable in compensation to the position occupied at the time of retirement, payment of the annuity shall be continued temporarily to afford the annuitant opportunity to seek such available position but not in any case exceeding one year from the date of the medical examination showing such recovery. Should the annuitant fail to appear for examination, as required under this section, payment of the annuity shall be suspended until continuance of the disability shall have been satisfactorily established. The Civil Service Commission may order or direct at any time such medical or other examination as it shall deem necessary to determine the facts relative to

the nature and degree of disability of any employee retired on an annuity under this section. (May 22, 1920, ch. 195, § 5, 41 Stat. 616; July 3, 1926, ch. 801, § 6, 44 Stat. 907; May 29, 1930, ch. 349, § 6, 46 Stat. 472; July 3, 1930, ch. 863, § 2, 46 Stat. 1016; Ex. Ord. No. 6670, Apr. 7, 1934; Aug. 4, 1939, ch. 426, § 3b, 53 Stat. 1202.)

EFFECTIVE DATE

Act August 4, 1939, cited to text, was made effective January 1, 1940, by section 5 of said act.

§ 712. Same; medical examination; fees for.—Fees for examinations made under the provisions of sections 710-714 of this title, by physicians or surgeons who are not medical officers of the United States, shall be fixed by the Civil Service Commission, and such fees, together with the employee's reasonable traveling and other expenses incurred in order to submit to such examinations, shall be paid out of the appropriations for the cost of administering this chapter. (May 22, 1920, ch. 195, § 5, 41 Stat. 616; July 3, 1926, ch. 801, § 6, 44 Stat. 907; May 29, 1930, ch. 349, § 6, 46 Stat. 472; July 3, 1930, ch. 863, § 2, 46 Stat. 1016; Ex. Ord. No. 6670, Apr. 7, 1934.)

§ 713. Same; discontinuance of annuity; refund of excess of contributions over.—In all cases where the annuity is discontinued under the provisions of sections 710-714 of this title before the annuitant has received a sum equal to the amount credited to his individual account as provided in section 724 (a) of this title, together with interest at 4 per centum per annum compounded on June 30 of each year, the difference, unless he shall become reemployed in a position within the purview of this chapter, shall be paid to the retired employee, as provided in section 724 (b) hereof, upon application therefor in such form and manner as the Civil Service Commission may direct. In case of reemployment in a position within the purview of this chapter the amount so refunded shall be redeposited as provided in section 724 (b) of this title. (May 22, 1920, ch. 195, § 5, 41 Stat. 617; July 3, 1926, ch. 801, § 6, 44 Stat. 907; May 29, 1930, ch. 349, § 6, 46 Stat. 472; July 3, 1930, ch. 863, § 2, 46 Stat. 1016; Ex. Ord. No. 6670, Apr. 7, 1934.)

§ 714. Compensation under chapter and compensation for injuries for same period not allowed.—No person shall be entitled to receive an annuity under the provisions of this chapter and compensation under the provisions of chapter 15 of this title, covering the same period of time; but this provision shall not be so construed as to bar the right of any claimant to the greater benefit conferred by either chapters for any part of the same period of time.

Notwithstanding any provision of law to the contrary, the right of any person entitled to an annuity under sections 691, 693, 698, 707-715, 716-718, 719, 719-1, 720-731, 733, 736b and 736c of this title shall not be affected because such person has received an award of compensation in a lump sum under section 764 of this title, except that where such annuity is payable on account of the same disability for which compensation under section 764 of this title has been paid, so much of such compensation as has

been paid for any period extending beyond the date such annuity becomes effective, as determined by the United States Employees' Compensation Commission, shall be refunded to the United States Employees' Compensation Commission, to be covered into the Employees' Compensation Fund. Before such person shall receive such annuity he shall (1) refund to such Commission the amount representing such commuted payments for such extended period, or (2) authorize the deduction of such amount from the annuity payable to him under sections 691, 693, 698, 707-715, 716-718, 719, 719-1, 720-731, 733, 736b and 736c of this title, which amount shall be transmitted to such Commission for reimbursement to such fund. Deductions from such annuity may be made from accrued and accruing payments, or may be prorated against and paid from accruing payments in such manner as the United States Employees' Compensation Commission shall determine, whenever it finds that the financial circumstances of the annuitant are such as to warrant such deferred refunding. (May 22, 1920, ch. 195, § 5, 41 Stat. 617; July 3, 1926, ch. 801, § 6, 44 Stat. 907; May 29, 1930, ch. 349, § 6, 46 Stat. 472; Dec. 23, 1944, ch. 728, 58 Stat. 927.)

§ 715. Automatic separation; notice to employee; subsequent appointment to Government position.—(a) Except as provided in sections 715a and 715d of this title, all officers or employees to whom this chapter applies shall, on the last day of the month in which they attain retirement age as defined in section 691 of this title; and having rendered at least fifteen years of service, be automatically separated from the service, and all salary, pay, or compensation shall cease from that date, and it shall be the duty of the head of each department, branch, or independent office of the Government concerned to notify each such employee under his direction of the date of his separation from the service at least sixty days in advance thereof.

(b) No person separated from the service who is receiving an annuity under the provisions of section 691 of this title shall be eligible again to appointment to any appointive office, position, or employment under the United States or of the government of the District of Columbia unless the appointing authority determines that he is possessed of special qualifications, in which event payment of his annuity shall be terminated during the period of his appointment: *Provided, however,* That nothing in sections 691, 693, 698, 707-715, 716-718, 719, 719-1, 720-731, 733, 736b, and 736c of this title shall be so constructed as to affect the rights of the annuitant's beneficiary if the annuitant has been receiving or had elected and was otherwise entitled to a reduced annuity under section 698 (d) of this title and dies while so reemployed or continued in the service or within thirty days after the termination of his reemployment or continuation but all such rights shall continue and may be enforced in the same manner as if the annuitant had not been reemployed or continued: *And provided further,* That during such reemployment or continuation there shall be deducted and withheld from the salary, pay, or compensation of such employee at each pay period a proportionate amount of the annual difference between the life annuity to

which the employee would have been entitled and the reduced annuity elected by the employee. The amounts so deducted and withheld shall be deposited in the Treasury of the United States to the credit of civil service retirement and disability fund. Any such person whose annuity is terminated shall, upon the termination of his appointment, have this subsequent annuity rights determined under the provisions of law in effect at the time of such termination. (July 3, 1926, ch. 801, § 2, 44 Stat. 905; Mar. 3, 1927, ch. 346, § 1, 44 Stat. 1380; Feb. 20, 1929, ch. 271, 45 Stat. 1248; May 29, 1930, ch. 349, § 2, 46 Stat. 469; June 30, 1932, ch. 314, § 204, 47 Stat. 404; Jan. 24, 1942, ch. 16, § 2, 56 Stat. 14; Mar. 7, 1942, ch. 166, § 16 (b), 56 Stat. 147; Dec. 19, 1944, ch. 606, § 1, 58 Stat. 815.)

AMENDMENTS

1944—Subsec. (b) amended by act Dec. 19, 1944, cited to text, which added provisos.

1942—Act Jan. 24, 1942, cited to text, struck out former provisions and substituted new text.

Subsec. (a) was amended by act Mar. 7, 1942, cited to text, which struck out a proviso excepting elective officers from application of automatic separation provisions.

CONSTRUCTION AND EFFECTIVE DATE

Act Jan. 24, 1942, cited to text, effective date and construction with regard to rights of persons separated prior thereto, see note under section 691 of this title.

REFERENCES IN TEXT

Word "chapter" in this section refers to act May 29, 1930, ch. 349, 46 Stat. 468, distribution of which in this Code is shown in note under section 691 of this title.

EFFECTIVE DATE

Section 2 of act Dec. 19, 1944, cited to text, provided that the amendment of section should be effective as of Jan. 1, 1940.

EX. ORD. NO. 9047. EXEMPTION FROM OPERATION OF AUTOMATIC SEPARATION

Ex. Ord. No. 9047, §§ 1, 2, January 30, 1942, 7 F. R. 629 provided as follows:

"1. All officers and employees in the Executive branch of the Government appointed by the President are hereby exempted from automatic separation from the service for an indefinite period of time not extending beyond the duration of their appointment or term of service.

"2. All officers and employees in the Executive branch of the Government not within the scope of section 1 hereof who have reached or shall reach prior to April 1, 1942, the retirement age prescribed for automatic separation from the service and are not now exempted therefrom by Executive order, are hereby exempted from automatic separation from the service until April 30, 1942: *Provided*, That the head of the department or agency concerned may, in his discretion, require the retirement of any such officer or employee at the end of any month prior to April 1942, except that the date of retirement shall be fixed so as to permit the allowance of any annual leave (accumulated or current) to which such officer or employee may be entitled."

CROSS REFERENCES

History of civil service retirement acts, see note under section 691 of this title.

Reimbursement of officers made ineligible for benefits by act Mar. 7, 1942, cited to text, see note under section 691 of this title.

Definition of term "department" as used in this section, see note under section 693 of this title.

§ 715c. Continuance in service for less than thirty-one days after reaching retirement age; date of beginning of annuity.—All officers and employees of the United States Government or of the government of the District of Columbia who had reached the retirement age prescribed for automatic separation from the service on or before July 1, 1932, or during the month of July 1932, and who were continued in active service for a period of less than thirty-one days after June 30, 1932, shall be regarded as having been retired and entitled to annuity beginning with the day following the date of separation from active service, instead of August 1, 1932, and the United States Civil Service Commission is hereby authorized and directed to make payments accordingly from the civil-service retirement and disability fund to those persons entitled and who make application therefor. (Aug. 28, 1935, ch. 791, 49 Stat. 941.)

§ 716. Application for retirement.—Applications for annuity shall be in such form as the Civil Service Commission may prescribe, and shall be supported by such certificates from the heads of departments, branches, or independent offices of the Government in which the applicant has been employed as may be necessary to the determination of the rights of the applicant. (May 22, 1920, ch. 195, § 7, 41 Stat. 617; July 3, 1926, ch. 801, § 13, 44 Stat. 912; May 29, 1930, ch. 349, § 13, 46 Stat. 476; July 3, 1930, ch. 863, § 2, 46 Stat. 1016; Ex. Ord. No. 6670, Apr. 7, 1934.)

§ 717. Same; determination; certificate of retirement.—Upon receipt of satisfactory evidence the Civil Service Commission shall forthwith adjudicate the claim of the applicant, and if title to annuity be established, a proper certificate shall be issued to the annuitant. (May 22, 1920, ch. 195, § 7, 41 Stat. 618; July 3, 1926, ch. 801, § 13, 44 Stat. 912; May 29, 1930, ch. 349, § 13, 46 Stat. 476; July 3, 1930, ch. 863, § 2, 46 Stat. 1016; Ex. Ord. No. 6670, Apr. 7, 1934.)

§ 718. Commencement and duration of annuity.—Annuities granted under this chapter for retirement under the provisions of section 691 of this title shall commence from the date of separation from the service and shall continue during the life of the annuitant. Annuities granted under the provisions of sections 710-714, 716-718, 725, 733, 735, and 736 of this title shall be subject to the limitations specified in said sections. (May 22, 1920, ch. 195, § 7, 41 Stat. 618; July 3, 1926, ch. 801, § 13, 44 Stat. 912; May 29, 1930, ch. 349, § 13, 46 Stat. 476.)

§ 718a. Definition of annuitant.—The term “annuitant” as used in this chapter shall include any employee who has met all requirements of the chapter for title and has filed claim herefor, notwithstanding final administrative action was not taken by the Civil Service Commission prior to his death. Nothing in sections 716-718a and 725 of this title shall be so construed as to reduce any benefit otherwise payable. (May 22, 1920, ch. 195, § 7, 41 Stat. 618, as amended July 3, 1926, ch. 801, § 13, 44 Stat. 912; May 29, 1930, ch. 349, § 13, 46 Stat. 476; Jan. 24, 1942, ch. 16, § 9, 56 Stat. 17.)

CODIFICATION

Section is from a paragraph of act May 29, 1930, § 13, cited to text, which paragraph was added by act Jan. 24, 1942, also cited. The former act purported to be a general amendment of act July 3, 1926, cited to text which in turn purported to be a general amendment of act May 22, 1920, also cited.

CONSTRUCTION AND EFFECTIVE DATE

Act Jan. 24, 1942, § 9, cited to text, was made "effective from January 1, 1940," by the enacting words thereof. For general effective date of that act, see note under section 691 of this title.

Construction of act Jan. 24, 1942, cited to text with regard to rights of persons separated prior thereto, see note under section 691 of this title.

§719. Deductions from salaries; amount; civil-service retirement and disability fund.—Beginning as of July 1, 1926, there shall be deducted and withheld from the basic salary, pay, or compensation of each employee to whom this chapter applies a sum equal to $3\frac{1}{2}$ per centum of such employee's basic salary, pay, or compensation: *Provided*, That after June 30, 1942, there shall be deducted and withheld from the basic salary, pay, or compensation of any officer or employee to whom this chapter applies a sum equal to 5 per centum of such officer's or employee's basic salary, pay, or compensation. The amounts so deducted and withheld from the basic salary, pay, or compensation of each employee shall, in accordance with such procedure as may be prescribed by the Comptroller General of the United States, be deposited in the Treasury of the United States to the credit of the "civil-service retirement and disability fund" created by this chapter, and said fund is hereby appropriated for the payment of annuities, refunds, and allowances as provided in said chapter. (As amended July 3, 1926, ch. 801, § 10, 44 Stat. 910; May 29, 1930, ch. 349, § 10, 46 Stat. 475; Jan. 24, 1942, ch. 16, § 7, 56 Stat. 16.)

AMENDMENTS

1942—Act Jan. 24, 1942, cited to text, added proviso in first sentence.

CONSTRUCTION AND EFFECTIVE DATE

Act Jan. 24, 1942, cited to text, effective date and construction with regard to rights of persons separated prior thereto, see note under section 691 of this title.

§ 719-1. Voluntary deposit of additional sums; refund in event of death.—Any employee may at his option and under such regulations as may be prescribed by the Civil Service Commission deposit additional sums in multiples of \$25 but not to exceed 10 per centum per annum of his annual basic salary, pay, or compensation, for service rendered since August 1, 1920, which amount together with interest thereon at 3 per centum per annum compounded as of June 30 of each year, shall, at the date of his retirement, be available to purchase, as he shall elect and in accordance with such rules and regulations as may be prescribed by the Civil Service Commission with the approval of the Board of Actuaries, in addition to the annuity provided by this chapter, an annuity according to the experience of the civil-service retirement and disability fund as may from time to time be set forth in tables of annuity values by the Board of Actuaries based on

an interest rate of 4 per centum. In the event of death or separation from the service of such employee before becoming eligible for retirement on annuity, the total amount so deposited with interest at 3 per centum per annum compounded on June 30 of each year shall be refunded in accordance with the provisions of section 724 of this title. (May 29, 1930, ch. 349, § 10, as added Aug. 4, 1939, ch. 426, § 4, 53 Stat. 1202.)

EFFECTIVE DATE

Act Jan. 24, 1942, § 9, cited to text, was made "effective from January 1, by section 5 of said act.

§ 720. Investment of fund.—The Secretary of the Treasury shall invest from time to time, in interest-bearing securities of the United States or Federal farm-loan bonds, such portions of the "civil-service retirement and disability fund" as in his judgment may not be immediately required for the payment of annuities, refunds, and allowances as herein provided, and the income derived from such investments shall constitute a part of said fund for the purpose of paying annuities and of carrying out the provisions of section 724 of this title. (May 22, 1920, ch. 195, § 8, 41 Stat. 618; July 3, 1926, ch. 801, § 11, 44 Stat. 910; May 29, 1930, ch. 349, § 11, 46 Stat. 476.)

§ 721. Contributions, donations, etc., to supplement contributions by employees.—The Secretary of the Treasury is hereby authorized and empowered in carrying out the provisions of this chapter to supplement the individual contributions of employees with moneys received in the form of donations, gifts, legacies, or bequests, or otherwise, and to receive, deposit, and invest for the purposes of said chapter all moneys which may be contributed by private individuals or corporations or organizations for the benefit of civil-service employees generally. (May 22, 1920, ch. 195, § 8, 41 Stat. 618; July 3, 1926, ch. 801, § 10, 44 Stat. 910; May 29, 1930, ch. 349, § 10, 46 Stat. 475.)

REFERENCES IN TEXT

The term "chapter" as used in this section refers to act of May 29, 1930, cited to text, which purported to amend act of May 22, 1920, cited to text, although the 1930 act was an entire new one.

§ 722. Consent of employee to deductions deemed given.—Every employee coming within the provisions of this chapter shall be deemed to consent and agree to deductions from salary, pay, or compensation as provided herein, and payment less such deductions shall be a full and complete discharge and acquittance of all claims and demands whatsoever for all regular services rendered by such employee during the period covered by such payment, except the right to the benefits to which he shall be entitled under the provisions of said chapter, notwithstanding the provisions of sections 167 and 168 of the Revised Statutes of the United States, and section 43 of this title, and of any other law, rule, or regulation affecting the salary, pay, compensation of any person or persons employed in the civil service to whom this chapter applies. (May 22, 1920, ch. 195, § 9, 41

Stat. 618; July 3, 1926, ch. 801, § 10, 44 Stat. 910; May 29, 1930, ch. 349, § 10, 46 Stat. 475.)

REFERENCES IN TEXT

The term "chapter" as used in this section refers to act of May 29, 1930, cited to text, which purported to amend act of May 22, 1920, cited to text, although the former was an entire new act.

Sections 167 and 168 of the Revised Statutes, to which reference is made in text, prescribed the annual salaries of clerks and employees of the Departments, whose compensation was not otherwise prescribed, and provided that except when a different compensation was expressly prescribed by law, any clerk temporarily employed to perform the same or similar duties with those belonging to clerks of any particular class, should be entitled to the same salary as clerks of that class.

§ 723. Transfer of employees from classified to unclassified status, return; deposit of deductions from salary.—Employees who have gone from employment within the purview of this chapter to other employment under the Government and have returned to a position under the purview of said chapter shall have the time of such other service included in the computation for his¹ retirement: *Provided*, That such employee shall contribute to the retirement fund upon reentering such employment within the purview of said chapter an amount, including interest, equivalent to that which would have been paid if such employee had continued in such employment. (May 22, 1920, ch. 195, § 10, 41 Stat. 618; July 3, 1926, ch. 801, § 14, 44 Stat. 912; May 29, 1930, ch. 349, § 14, 46 Stat. 476.)

REFERENCES IN TEXT

The term "chapter" as used in this section refers to act of May 29, 1930, cited to text, which purported to amend act of May 22, 1920, cited to text, although the 1930 act was an entire new one.

§ 724. Return of deductions to employee on transfer from classified to unclassified status or separation from service on death or incompetency of employee.—(a) Under such regulations as may be prescribed by the Civil Service Commission the amounts deducted and withheld from the basic salary, pay, or compensation of each employee for credit to the "civil-service retirement and disability fund" created by this chapter, covering service during the period from August 1, 1920, to July 1, 1930, shall be credited to an individual account of such employee, to be maintained by the department or office by which he is employed and the amounts deducted and withheld from the basic salary, pay, or compensation of each employee for credit to the "civil-service retirement and disability fund" covering service from and after July 1, 1930, less the sum of \$1 per month or major fraction thereof, shall similarly be credited to such individual account.

(b) In the case of any officer or employee to whom this chapter applies who shall be transferred to a position not within the purview of this chapter, or who shall become absolutely separated from the service before he shall have completed an aggregate of five years of service computed in accordance with section 707 of this title, the amount of deductions from his basic salary, pay, or compensation credited to his individual account, together with

¹ So in original. Probably should read "their."

interest at 4 per centum compounded on June 30 of each year shall be returned to such officer or employee: *Provided*, That when an officer or employee becomes involuntarily separated from the service, not by removal for cause on charges of misconduct or delinquency before completing five years of creditable service the total amount of deductions from his basic salary, pay, or compensation with interest at 4 per centum compounded on June 30 of each year shall be returned to such officer or employee: *Provided further*, That no such interest shall be allowed on any separation unless the service covered thereby aggregates more than one year: *Provided further*, That all deductions from basic salary, pay, or compensation so returned to an officer or employee must, upon reinstatement, retransfer, or reappointment to a position coming within the purview of this chapter be redeposited with interest at 4 per centum compounded on June 30 of each year before such officer or employee may derive any benefits under this chapter, except as provided in this section, but interest shall not be required covering any period of separation from the service. In computing interest under this subsection, a fractional part of a month in the total service of an officer or employee shall be disregarded.

(c) In case an annuitant shall die without having received in annuities purchased by the employee's contributions as provided in (2) of section 698 of this title an amount equal to the total amount to his credit at time of retirement, the amount remaining to his credit and any accrued annuity shall be paid, upon the establishment of a valid claim therefor, in the following order of precedence:

First, to the beneficiary or beneficiaries designated in writing by such annuitant and recorded on his individual account:

Second, if there be no such beneficiary, to the duly appointed executor or administrator of the estate of such annuitant;

Third, if there be no such beneficiary, or executor or administrator, payment may be made, after the expiration of thirty days from the date of the death of the annuitant, to such person or persons as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other person.

In the case of an annuitant who has elected to receive an increased annuity as provided in section 698 of this title, the amount to be paid under the provisions of this subsection shall be only the accrued annuity.

(d) In case an employee shall die without having attained eligibility for retirement or without having established a valid claim for annuity, the total amount of his deductions with interest thereon shall be paid, upon the establishment of a valid claim therefor, in the following order of precedence:

First, to the beneficiary or beneficiaries designated in writing by such employee and recorded on his individual account;

Second, if there be no such beneficiary, to the duly appointed executor or administrator of the estate of such employee;

Third, if there be no such beneficiary or executor or administrator, payment may be made, after the expiration of thirty days

from the date of the death of the employee, to such person or persons as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other person.

(e) In case a former employee entitled to the return of the amount credited to his individual account shall become legally incompetent, the total amount due may be paid to a duly appointed guardian or committee of such former employee. If the amount of refund due such former employee does not exceed \$1,000, and if there has been no demand upon the Civil Service Commission by a duly appointed guardian or committee, payment may be made, after the expiration of thirty days from date of separation from the service, to such person or persons, in the discretion of the Commission, who may have the care and custody of such former employee, and such payment shall be a bar to recovery by any other person.

(f) Each employee or annuitant to whom this chapter applies may, under regulations prescribed by the Civil Service Commission, designate a beneficiary or beneficiaries to whom shall be paid, upon the death of the employee or annuitant any sum remaining to his credit (including any accrued annuity) under the provisions of this chapter. (May 22, 1920, ch. 195, § 11, 41 Stat. 619; Feb. 14, 1922, ch. 51, § 1, 42 Stat. 364; May 27, 1924, ch. 199, 43 Stat. 176; July 3, 1926, ch. 801, § 12, 44 Stat. 911; May 29, 1930, ch. 349, § 12, 46 Stat. 476; July 3, 1930, ch. 863, § 2, 46 Stat. 1016; Ex. Ord. No. 6670, Apr. 7, 1934; June 22, 1934, ch. 709, §§ 1-4, 48 Stat. 1201; Jan. 24, 1942, ch. 16, § 8, 56 Stat. 16; June 26, 1944, ch. 276, 58 Stat. 334; June 28, 1944, ch. 295, 58 Stat. 425.)

AMENDMENTS

1944—Subsec. (b) amended by acts June 26, 1944, and June 28, 1944, both cited to text, which added last sentence to last proviso and inserted second proviso, respectively.

1942—Par. (b) was inserted in lieu of former par. (b) by act Jan. 24, 1942, cited to text, which also struck out said former paragraph.

CONSTRUCTION AND EFFECTIVE DATE

Act Jan. 24, 1942, cited to text, effective date and construction with regard to rights of persons separated prior thereto, see note under section 691 of this title.

§ 725. Times for payment of annuities.—Annuities granted under the terms of this chapter shall be due and payable in monthly installments on the first business day of the month following the month or other period for which the annuity shall have accrued, and payment of all annuities, refunds, and allowances granted hereunder shall be made by checks drawn and issued by the disbursing clerk for the payment of pensions in such form and manner and with such safeguards as shall be prescribed by the Civil Service Commission in accordance with the laws, rules, and regulations governing accounting that may be found applicable to such payments. (May 22, 1920, ch. 195, § 12, 41 Stat. 619; July 3, 1926, ch. 801, § 13, 44 Stat. 912; May 29, 1930, ch. 349, § 13, 46 Stat. 476; Ex. Ord. No. 6670, Apr. 7, 1934.)

REFERENCES IN TEXT

The term "chapter" as used in this section refers to act of May 29, 1930, cited to text, which purported to amend act of May 22, 1920, cited to text, although the 1930 act was an entire new one.

TRANSFER OF FUNCTIONS

The function of disbursement of moneys of the United States exercised by any agency except War Department, Navy Department, and Panama Canal was transferred to the Treasury Department and together with the office of Disbursing Clerk of that Department, was consolidated in a Division of Disbursement at the head of which is a Chief Disbursing Officer. See Executive Order No. 6166, § 4, and Executive Order No. 6728 set out in note to section 132 of this title.

Division of Disbursement and certain other offices and agencies and their functions were consolidated into Fiscal Service of Treasury Department by Reorganization Plan No. III, § 1 (a), effective June 30, 1940, set out in note under section 133t of this title.

§ 727. Record by Commission of appointments, transfers, changes in grades, etc.—The Civil Service Commission shall keep a record of appointments, transfers, changes in grade, separations from the service, reinstatments, loss of pay, and such other information concerning individual service as may be deemed essential to a proper determination of rights under this chapter; and shall perpare and keep all needful tables and records required for carrying out the provisions of said chapters, including data showing the mortality experience of the employees in the service and the percentage of withdrawals from such service, and any other information that may serve as a guide for future valuations and adjustments of the plan for the retirement of employees under said chapter. (May 22, 1920, ch. 195, § 13, 41 Stat. 619; Feb. 14, 1922, ch. 51, § 2, 42 Stat. 365; July 3, 1926, ch. 801, § 15, 44 Stat. 912; May 29, 1930, ch. 349, § 15, 46 Stat. 478; July 3, 1930, ch. 863, § 2, 46 Stat. 1016; Ex. Ord. No. 6670, Apr. 7, 1934.)

§ 728. Report of Civil Service Commission.—The Civil Service Commission shall make a detailed comparative report annually showing all receipts and disbursements on account of annuities, refunds, and allowances, together with the total number of persons receiving annuities and the total amounts paid them, and it shall transmit to Congress the reports and recommendations of the Board of Actuaries. (May 22, 1920, ch. 195, § 13, 41 Stat. 620; Feb. 14, 1922, ch. 51, § 2, 42 Stat. 365; July 3, 1926, ch. 801, § 17, 44 Stat. 913; May 29, 1930, ch. 349, § 17, 46 Stat. 478; July 3, 1930, ch. 863, § 2, 46 Stat. 1016; Ex. Ord. No. 6670, Apr. 7, 1934.)

§ 729. Annuities not subject to assignment, execution, levy, or other legal process.—None of the moneys mentioned in this chapter shall be assignable, either in law or equity, or be subject to execution, levy, or attachment, garnishment, or other legal process. (May 22, 1920, ch. 195, § 14, 41 Stat. 620; July 3, 1926, ch. 801, § 18, 44 Stat. 913; May 29, 1930, ch. 349, § 18, 46 Stat. 479.)

REFERENCES IN TEXT

The term "chapter" as used in this section refers to act of May 29, 1930, cited to text, which purported to amend act of May 22, 1920, cited to text, although the 1930 act was an entire new one.

§ 729a. Recovery of annuity payments.—Notwithstanding any other provision of this chapter, there shall be no recovery of annuity payments from any annuitant under this chapter who, in the judgment of the Civil Service Commission, is without fault and when, in the judgment of the Civil Service Commission, such recovery would be contrary to equity and good conscience. (May 29, 1930, ch. 349, § 17, 46 Stat. 478, as amended June 26, 1944, ch. 274, § 1, 58 Stat. 326.)

§ 730. Estimates of appropriations necessary.—The Civil Service Commission shall submit annually to the Bureau of the Budget estimates of the appropriations necessary to finance the retirement and disability fund and to continue this chapter in full force and effect. (May 22, 1920, ch. 195, § 15, 41 Stat. 620; July 3, 1926, ch. 801, § 17, 44 Stat. 913; May 29, 1930, ch. 349, § 17, 46 Stat. 478; July 3, 1930, ch. 863, § 2, 46 Stat. 1016; Ex. Ord. No. 6670, Apr. 7, 1934.)

§ 731. Board of Actuaries; duties, etc.—The Civil Service Commission is hereby authorized and directed to select three actuaries, one of whom shall be the Government actuary, to be known as the Board of Actuaries, whose duty it shall be to annually report upon the actual operations of this chapter, with authority to recommend to the Civil Service Commission such changes as in their judgment may be deemed necessary to protect the public interest and maintain the system upon a sound financial basis, and they shall make a valuation of the "civil-service retirement and disability fund" at intervals of five years, or oftener if deemed necessary by the Civil Service Commission; they shall also prepare such tables as may be required by the Civil Service Commission for the purpose of computing annuities under said sections. The compensation of the members of the Board of Actuaries, exclusive of the Government actuary, shall be fixed by the Civil Service Commission.

The required five-year valuation of the civil-service retirement and disability fund may be omitted or deferred in the discretion of the Civil Service Commission for the duration of the present war and for one year thereafter. (May 22, 1920, ch. 195, § 16, 41 Stat. 620; July 3, 1926, ch. 801, § 16, 44 Stat. 912; May 29, 1930, ch. 349, § 16, 46 Stat. 478; July 3, 1930, ch. 863, § 2, 46 Stat. 1016; Ex. Ord. No. 6670, Apr. 7, 1934; Dec. 23, 1944, ch. 726, 58 Stat. 926.)

§ 733. Annuities to employees separated from service before becoming eligible for retirement; effect of reemployment; interest.—(a) Should any officer or employee to whom this chapter applies, after having served for a total period of not less than five years and before becoming eligible for retirement become separated from the service, such officer or employee shall be paid a deferred annuity beginning at the age of sixty-two years, computed as provided in clauses (1) and (2) of section 698 (a) of this title: *Provided*, That any such person involuntarily separated from the service not by removal for cause on charges of misconduct or delinquency may elect to receive an immediate annuity beginning at the age of fifty-five or at the date of sepa-

ration from the service if subsequent to that age having a value equal to the present worth of a deferred annuity beginning at the age of sixty-two years, or at age of separation if subsequent to age sixty-two, computed as provided in section 698 of this title: *Provided further*, That nothing in this chapter shall be so construed as to prohibit the refund of deductions, deposits, or redeposits made prior to the effective date of this chapter with interest thereon, or of any voluntary contributions made under the provisions of sections 719, 719-1, 721, and 722 of this title, with interest: *And provided further*, That all moneys, except voluntary contributions, so refunded an officer or employee must be redeposited with interest before such officer or employee may derive any annuity benefits based on the service covered by the refund.

(b) Should an annuitant under the provisions of this section be reemployed in a position included in the provisions of this chapter, the annuity and any right to an immediate or deferred annuity as provided herein shall cease as of the date of such employment. If such annuitant is reemployed in any position in the service of the United States or the District of Columbia, not within the provisions of this chapter, annuity payments shall be discontinued during the period of such employment, and resumed in the same amount upon termination of such employment.

(c) Interest shall be allowed on the amount credited to such separated officer's or employee's individual account in the retirement fund at 3 per centum compounded on June 30 of each year until the beginning date of annuity. (Sept. 22, 1922, ch. 428, §§ 1, 3, 4, 42 Stat. 1047, 1048, as amended July 3, 1926, ch. 801, § 7, 44 Stat. 909; May 29, 1930, ch. 349, § 7, 46 Stat. 474; Jan. 24, 1942, ch. 16, § 5, 56 Stat. 16.)

AMENDMENTS

1942—Act Jan. 24, 1942, cited to text, repealed former section 7 of act May 29, 1930, also cited, and substituted new text in lieu thereof.

CONSTRUCTION AND EFFECTIVE DATE

Act Jan. 24, 1942, cited to text, effective date and construction with regard to rights of persons separated prior thereto, see note under section 691 of this title.

§ 736a. Same; involuntary separation.—Whenever at any time after June 16, 1933, and prior to July 1, 1935, any employee of the United States or the District of Columbia to whom this chapter applies, who has an aggregate period of service of at least thirty years computed as prescribed in section 707 of this title, is involuntarily separated from the service for reasons other than his misconduct, such employee shall be entitled to an annuity computed as provided in sections 698, 706 of this title payable from the civil-service retirement and disability fund less a sum equal to 3½ per centum of such annuity: *Provided*, That when an annuitant hereunder attains the age which would have been the retirement age prescribed for automatic separation from the service applicable to such annuitant had he continued in the serv-

ice to such retirement age, such deduction from the annuity shall cease. If and when any such annuitant shall be reemployed in the service of the District of Columbia or the United States (including any corporation the majority of the stock of which is owned by the United States), the right to the annuity provided by this section shall cease and the subsequent annuity rights of such person shall be determined in accordance with the applicable provisions of retirement law existing at the time of the subsequent separation of such person from the service. (June 16, 1933, ch. 101, § 8 (a), 48 Stat. 305.)

§ 736b. **Credit for past service.**—All employees who may be brought within the purview of this chapter by legislative enactment, or by appointment, or through classification, or by transfer, or reinstatement, or Executive order, or otherwise, shall be required to deposit with the Treasurer of the United States to the credit of the “civil-service retirement and disability fund” a sum equal to $2\frac{1}{2}$ per centum of the employee’s basic salary, pay, or compensation received for services rendered after July 31, 1920, and prior to July 1, 1926, and also $3\frac{1}{2}$ per centum of the basic salary, pay, or compensation for services rendered from and after July 1, 1926, and prior to July 1, 1942, and also 5 per centum of such basic pay, salary, or compensation for services rendered on and after July 1, 1942 together with interest computed at the rate of 4 per centum per annum compounded on June 30 of each fiscal year, but such interest shall not be included for any period during which the employee was separated from the service. All employees who may hereafter be brought within the purview of this chapter may elect to make such deposits in installments during the continuance of their service in such amounts and under such conditions as may be determined in each instance by the Civil Service Commission. The amount so deposited, less \$1, for each month, or major fraction thereof, of service after July 1, 1930, shall be credited to the employee’s individual account: *Provided*, That failure to make such deposit shall not deprive the employee of credit for any past service rendered prior to August 1, 1920, to which he or she would otherwise be entitled: *And provided further*, That, notwithstanding the failure of an employee to make such deposit, credit shall be allowed for the service rendered, but the annuity of such employee shall be reduced by the amount such deposit would purchase if made, unless the employee shall elect to eliminate such service entirely from credit under this chapter. (July 3, 1926, ch. 801, § 9, 44 Stat. 910, as amended May 29, 1930, ch. 349, § 9, 46 Stat. 475; July 3, 1930, ch. 863, § 2, 46 Stat. 1016; Ex. Ord. No. 6670, April 7, 1934; June 23, 1938, ch. 596, 52 Stat. 943; Jan. 24, 1942, ch. 16, § 6, 56 Stat. 16.)

AMENDMENTS

1942—Act Jan. 24, 1942, cited to text, inserted “and prior to July 1, 1942. * * * after July 1, 1942”.

CONSTRUCTION AND EFFECTIVE DATE

Act Jan. 24, 1942, cited to text, effective date and construction with regard to rights of persons separated prior thereto, see note under section 691 of this title.

REFERENCES IN TEXT

Word "chapter" in this section refers to act May 29, 1930, ch. 349, 46 Stat. 468, distribution of which in this Code is shown in note under section 691 of this title.

§ 736c. Benefits extended to those already retired.—In the case of those who before July 1, 1930, shall have been retired on annuity under the provisions of this chapter, or as extended by Executive orders, the annuity shall be computed, adjusted, and paid under the provisions of this chapter, but said chapter shall not be so construed as to reduce the annuity of any person retired before July 1, 1930, nor shall any increase in annuity commence before said date. (July 3, 1926, ch. 801, § 8, 44 Stat. 909; May 29, 1930, ch. 349, § 8, 46 Stat. 475.)

COMPENSATION FOR INJURIES TO EMPLOYEES OF UNITED STATES

§ 751. Disability or death of employee; willful misconduct.—The United States shall pay compensation as hereinafter specified for the disability or death of an employee resulting from a personal injury sustained while in the performance of his duty, but no compensation shall be paid if the injury or death is caused by the willful misconduct of the employee or by the employee's intention to bring about the injury or death of himself or of another, or if intoxication of the injured employee is the proximate cause of the injury or death. (Sept. 7, 1916, ch. 458, § 1, 39 Stat. 742.)

CROSS REFERENCES

Compensation for injuries in time of peace, see sections 797 and 798 of this title.

Compensation for injury and retirement annuity not to be received for same period, see section 714 of this title.

§ 752. Time of accrual of right.—During the first three days of disability the employee shall not be entitled to compensation except as provided in section 759 of this title. No compensation shall at any time be paid for such period. (Sept. 7, 1916, ch. 458, § 2, 39 Stat. 743.)

§ 753. Total disability.—If the disability is total, the United States shall pay to the disabled employee during such disability a monthly compensation equal to $66\frac{2}{3}$ per centum of his monthly pay, except as hereinafter provided. (Sept. 7, 1916, ch. 458, § 3, 39 Stat. 743.)

§ 754. Partial disability; affidavit.—If the disability is partial, the United States shall pay to the disabled employee during such disability a monthly compensation equal to $66\frac{2}{3}$ per centum

of the difference between his monthly pay and his monthly wage-earning capacity after the beginning of such partial disability. The commission may, from time to time, require a partially disabled employee to make an affidavit as to the wages which he is then receiving. In such affidavit the employee shall include a statement of the value of housing, board, lodging, and other advantages which are received from the employer as a part of his remuneration and which can be estimated in money. If the employee, when required, fails to make such affidavit, he shall not be entitled to any compensation while such failure continues, and the period of such failure shall be deducted from the period during which compensation is payable to him. (Sept. 7, 1916, ch. 458, § 4, 39 Stat. 743.)

§ 755. Same; employee to seek other employment.—If a partially disabled employee refuses to seek suitable work or refuses or neglects to work after suitable work is offered to, procured by, or secured for him, he shall not be entitled to any compensation. (Sept. 7, 1916, ch. 458, § 5, 39 Stat. 743.)

§ 756. Monthly compensation for total and for partial disability; increase on basis of expectancy of productive capacity; decrease on account of age; additional compensation for necessary services of attendant.—The monthly compensation for total disability shall not be more than \$116.66, nor less than \$58.33, unless the employee's monthly pay is less than \$58.33, in which case his monthly compensation shall be the full amount of his monthly pay. The monthly compensation for partial disability shall not be more than \$116.66. In the case of persons who at the time of the injury were minors or employed in a learner's capacity and who were not physically or mentally defective, the commission shall, on any review after the time when the monthly wage-earning capacity of such persons would probably, but for the injury, have increased, award compensation based on such probable monthly wage-earning capacity. The commission may, on any review after the time when the monthly wage-earning capacity of the disabled employee would probably, irrespective of the injury, have decreased on account of old age, award compensation based on such probable monthly wage-earning capacity.

In addition to the monthly compensation the Employees' Compensation Commission may pay an injured employee awarded compensation for permanent total disability from injury an additional sum of not more than \$50 a month, as the Commission may deem necessary, when the Commission shall find that the service of an attendant is necessary constantly to be used by reason of the employee being totally blind, or having lost both hands or both feet or the use thereof, or is paralyzed and unable to walk, or by reason of other total disability actually rendering him so helpless as to require constant attendance. (Sept. 7, 1916, ch. 458, § 6, 39 Stat. 743; Feb. 12, 1927, ch. 110, § 1, 44 Stat. 1086; May 13, 1936, ch. 382, 49 Stat. 1270.)

§ 757. Person receiving not to be paid for other services; pensions.—As long as the employee is in receipt of compensation under sections 751-791, 793 of this title, or, if he has been paid a

lump sum in commutation of installment payments, until the expiration of the period during which such installment payments would have continued, he shall not receive from the United States any salary, pay, or remuneration whatsoever except in return for services actually performed, and except pensions for services in the Army or Navy of the United States: *Provided*, That whenever any person is entitled to receive any benefits under sections 751-791 and 793 of this title by reason of his injury, or by reason of the death of an employee, as defined in section 790 of this title, and is also entitled to receive from the United States any payments or benefits (other than the proceeds of any insurance policy), by reason of such injury or death under any other Act of Congress, because of service by him (or in the case of death, by the deceased) as an employee, as so defined, such person shall elect which benefits he shall receive. Such election shall be made within one year after the injury or death, or such further time as the Commission may for good cause allow, and when made shall be irrevocable unless otherwise provided by law. (Sept. 7, 1916, ch. 458, § 7, 39 Stat. 743; July 1, 1944, ch. 373, title VI, § 605 (a), 58 Stat. 712.)

§ 758. Employee having annual or sick leave to his credit.—If at the time the disability begins the employee has annual or sick leave to his credit he may, subject to the approval of the head of the department, use such leave until it is exhausted, in which case his compensation shall begin on the fourth day of disability after the annual or sick leave has ceased. (Sept. 7, 1916, ch. 458, § 8, 39 Stat. 743.)

§ 759. Medical, surgical, and hospital service; transportation expenses.—For any injury sustained by an employee while in the performance of duty, whether or not disability has arisen, the United States shall furnish to the employee all services, appliances, and supplies prescribed or recommended by duly qualified physicians which, in the opinion of the commission, are likely to cure or to give relief or to reduce the degree or the period of disability or to aid in lessening the amount of the monthly compensation. Such services, appliances, and supplies shall be furnished by or upon the order of United States medical officers and hospitals, but where this is not practicable they shall be furnished by or upon the order of private physicians and hospitals designated or approved by the commission. For the securing of such services, appliances, and supplies, the employee may be furnished transportation, and may be paid all expenses incident to the securing of such services, appliances, and supplies, which, in the opinion of the commission, are necessary and reasonable. All such expenses when authorized or approved by the commission shall be paid from the employees' compensation fund. Any awards heretofore made by the commission on account of expenses incurred under this section prior to June 26, 1926, shall be valid, if such award would be valid if made on account of expenses incurred under this section after June 26, 1926. (Sept. 7, 1916, ch. 458, § 9, 39 Stat. 743; June 26, 1926, ch. 695, § 1, 44 Stat. 772.)

CROSS REFERENCE

Annual leave with pay reduced to fifteen days, see section 30a of this title.

§ 760. Compensation to heirs in case of death.—If death results from the injury within six years the United States shall pay to the following persons for the following periods a monthly compensation equal to the following percentages of the deceased employee's monthly pay, subject to the modification that no compensation shall be paid where the death takes place more than one year after the cessation of disability resulting from such injury, or, if there has been no disability preceding death, more than one year after the injury:

(A) To the widow, if there is no child, 35 per centum. This compensation shall be paid until her death or marriage.

(B) To the widower, if there is no child, 35 per centum if wholly dependent for support upon the deceased employee at the time of her death. This compensation shall be paid until his death or marriage.

(C) To the widow or widower, if there is a child, the compensation payable under clause (A) or clause (B) and in addition thereto 10 per centum for each child, not to exceed a total of $66\frac{2}{3}$ per centum for such a widow or widower and children. If a child has a guardian other than the surviving widow or widower, the compensation payable on account of such child shall be paid to such guardian. The compensation payable on account of any child shall cease when he dies, marries, or reaches the age of eighteen, or, if over eighteen, and incapable of self-support, becomes capable of self-support.

(D) To the children, if there is no widow or widower, 25 per centum for one child and 10 per centum additional for each additional child, not to exceed a total of $66\frac{2}{3}$ per centum, divided among such children share and share alike. The compensation of each child shall be paid until he dies, marries, or reaches the age of eighteen, or, if over eighteen and incapable of self-support, becomes capable of self-support. The compensation of a child under legal age shall be paid to its guardian.

(E) To the parents, if one is wholly dependent for support upon the deceased employee at the time of his death and the other is not dependent to any extent, 25 per centum; if both are wholly dependent, 20 per centum to each; if one is or both are partly dependent, a proportionate amount in the discretion of the commission.

The above percentages shall be paid if there is no widow, widower, or child. If there is a widow, widower, or child, there shall be paid so much of the above percentages as, when added to the total percentages payable to the widow, widower, and children, will not exceed a total of $66\frac{2}{3}$ per centum.

(F) To the brothers, sisters, grandparents, and grandchildren, if one is wholly dependent upon the deceased employee for support at the time of his death, 20 per centum to such dependent; if more than one are wholly dependent, 30 per centum, divided among such dependents share and share alike; if there is no

one of them wholly dependent, but one or more partly dependent, 10 per centum divided among such dependents share and share alike.

The above percentages shall be paid if there is no widow, widower, child, or dependent parent. If there is a widow, widower, child, or dependent parent, there shall be paid so much of the above percentages as, when added to the total percentage payable to the widow, widower, children, and dependent parents, will not exceed a total of $66 \frac{2}{3}$ per centum.

(G) The compensation of each beneficiary under clauses (E) and (F) shall be paid for a period of eight years from the time of the death, unless before that time he, if a parent or grandparent, dies, marries, or ceases to be dependent, or, if a brother, sister, or grandchild, dies, marries, or reaches the age of eighteen, or, if over eighteen and incapable of self-support, becomes capable of self-support. The compensation of a brother, sister, or grandchild under legal age shall be paid to his or her guardian.

(H) As used in this section, the term "child" includes stepchildren, adopted children, and posthumous children, but does not include married children. The terms "brother" and "sister" include stepbrothers and stepsisters, half brothers and half sisters, and brothers and sisters by adoption, but do not include married brothers or married sisters. All of the above terms and the term "grandchild" include only persons who at the time of the death of the deceased employee are under eighteen years of age or over that age and incapable of self-support. The term "parent" includes stepparents and parents by adoption. The term "widow" includes only the decedent's wife living with or dependent for support upon him at time of his death or living apart for reasonable cause or by reason of his desertion.

(I) Upon the cessation of compensation under this section to or on account of any person, the compensation of the remaining persons entitled to compensation for the unexpired part of the period during which their compensation is payable shall be that which such persons would have received if they had been the only persons entitled to compensation at the time of the decedent's death.

(J) In case there are two or more classes of persons entitled to compensation under this section and the apportionment of such compensation, above provided, would result in injustice, the commission may, in its decretion, modify the apportionment to meet the requirements of the case.

(K) In computing compensation under this section the monthly pay shall be considered not to be more than \$175 nor less than \$87.50, but the total monthly compensation shall not exceed the monthly pay computed as provided in section 762 of this title.

(L) If any person entitled to compensation under this section, whose compensation by the terms of this section ceases upon his marriage, accepts any payments of compensation after his marriage he shall be punished by a fine of not more than \$2,000 or by imprisonment for not more than one year, or by both such fine and imprisonment. (Sept. 7, 1916, ch. 458, § 10, 39 Stat. 744; Feb. 12, 1927, ch. 110, §§ 2, 3, 44 Stat. 1087.)

§ 761. Payment to personal representative where death results within six years; transportation of remains; burial expenses.—If death results from the injury within six years the United States shall pay to the personal representative of the deceased employee funeral and burial expenses not to exceed \$200, in the discretion of the commission. In the case of an employee whose home is within the United States, if his death occurs away from his home office or outside of the United States, and if so desired by his relatives, the body shall, in the discretion of the commission, be embalmed and transported in a hermetically sealed casket to the home of the employee. Such funeral and burial expenses shall not be paid and such transportation shall not be furnished where the death takes place more than one year after the cessation of disability resulting from such injury or, if there has been no disability preceding death, more than one year after the injury. (Sept. 7, 1916, ch. 458, § 11, 39 Stat. 745; Feb. 12, 1927, ch. 110, § 4, 44 Stat. 1087.)

§ 762. Computation of monthly pay of employee.—In computing the monthly pay the usual practice of the service in which the employee was employed shall be followed. Subsistence and the value of quarters furnished an employee shall be included as part of the pay, but overtime pay shall not be taken into account. (Sept. 7, 1916, ch. 458, § 12, 39 Stat. 746.)

§ 763. Wage-earning capacity.—In the determination of the employee's monthly wage-earning capacity after the beginning of partial disability, the value of housing, board, lodging, and other advantages which are received from his employer as a part of his remuneration and which can be estimated in money shall be taken into account. (Sept. 7, 1916, ch. 458, § 13, 39 Stat. 746.)

§ 764. Payment of lump sum; determination of amount.—In cases of death or of permanent total or permanent partial disability, if the monthly payment to the beneficiary is less than \$5 a month, or if the beneficiary is or is about to become a non-resident of the United States, or if the commission determines that it is for the best interests of the beneficiary, the liability of the United States for compensation to such beneficiary may be discharged by the payment of a lump sum equal to the present value of all future payments of compensation computed at 4 per centum true discount compounded annually. The probability of the beneficiary's death before the expiration of the period during which he is entitled to compensation shall be determined according to the American Experience Table of Mortality; but in case of compensation to the widow or widower of the deceased employee, such lump sum shall not exceed sixty months' compensation. The probability of the happening of any other contingency affecting the amount or duration of the compensation shall be disregarded. (Sept. 7, 1916, ch. 458, § 14, 39 Stat. 746.)

§ 765. Notice of injury.—Every employee injured in the performance of his duty, or some one on his behalf, shall, within forty-eight hours after the injury, give written notice thereof to the immediate superior of the employee. Such notice shall be

given by delivering it personally or by depositing it properly stamped and addressed in the mail. (Sept. 7, 1916, ch. 458, § 15, 39 Stat. 746.)

§ 766. Same; requisites.—The notice shall state the name and address of the employee, the year, month, day, and hour when and the particular locality where the injury occurred, and the cause and nature of the injury, and shall be signed by and contain the address of the person giving the notice. (Sept. 7, 1916, ch. 458, § 16, 39 Stat. 746.)

§ 767. Same; failure to give.—Unless notice is given within the time specified or unless the immediate superior has actual knowledge of the injury, no compensation shall be allowed, but for any reasonable cause shown, the commission may allow compensation if the notice is filed within one year after the injury. (Sept. 7, 1916, ch. 458, § 17, 39 Stat. 746.)

§ 768. Written claim.—No compensation under sections 751-791, 793 of this title shall be allowed to any person, except as provided in section 788 of this title, unless he or someone on his behalf shall, within the time specified in section 770 of this title, make a written claim therefor. Such claim shall be made by delivering it at the office of the commission or to any commissioner or to any person whom the commission may by regulation designate, or by depositing it in the mail properly stamped and addressed to the commission or to any person whom the commission may by regulation designate. (Sept. 7, 1916, ch. 458, § 18, 39 Stat. 746.)

§ 769. Same; form and requisites; waiver.—Every claim shall be made on forms to be furnished by the commission and shall contain all the information required by the commission. Each claim shall be sworn to by the person entitled to compensation or by the person acting on his behalf, and, except in case of death, shall be accompanied by a certificate of the employee's physician, stating the nature of the injury and the nature and probable extent of the disability. For any reasonable cause shown the commission may waive the provisions of this section. (Sept. 7, 1916, ch. 458, § 19, 39 Stat. 746.)

§ 770. Time for making claims.—All original claims for compensation for disability shall be made within sixty days after the injury. All original claims for compensation for death shall be made within one year after the death. For any reasonable cause shown the commission may allow original claims for compensation for disability to be made at any time within one year. (Sept. 7, 1916, ch. 458, § 20, 39 Stat. 747; June 13, 1922, ch. 219, 42 Stat. 650.)

§ 771. Physical examinations; refusal to submit to.—After the injury the employee shall, as frequently and at such times and places as may be reasonably required, submit himself to examination by a medical officer of the United States or by a duly qualified physician designated or approved by the commission. The employee may have a duly qualified physician designated and paid by him present to participate in such examination.

If the employee refuses to submit himself for or in any way obstructs any examination, his right to claim compensation under sections 751-791, 793 of this title shall be suspended until such refusal or obstruction ceases. No compensation shall be payable while such refusal or obstruction continues, and the period of such refusal or obstruction shall be deducted from the period for which compensation is payable to him.

For any examination required by the commission the employee shall be paid all expenses incident to such examination which, in the opinion of the commission, are necessary and reasonable, including transportation and loss of wages incurred in order to submit to examination. All such expenses when authorized or approved by the commission shall be paid from the employees' compensation fund. (Sept. 7, 1916, ch. 458, § 21, 39 Stat. 747; June 26, 1926, ch. 695, § 2, 44 Stat. 772.)

§ 772. **Same; disagreement between physicians.**—In case of any disagreement between the physician making an examination on the part of the United States and the employee's physician the commission shall appoint a third physician, duly qualified, who shall make an examination. (Sept. 7, 1916, ch. 458, § 22, 39 Stat. 747.)

§ 773. **Same; physicians' fees.**—Fees for examinations made on the part of the United States under sections 771 and 772 of this title by physicians who are not already in the service of the United States shall be fixed by the commission. Such fees, and any sum payable to the employee under section 771, when authorized or approved by the commission, shall be paid from the employees' compensation fund. (Sept. 7, 1916, ch. 458, § 23, 39 Stat. 747; June 26, 1926, ch. 695, § 3, 44 Stat. 772.)

§ 774. **Report to Commission as to injury.**—Immediately after an injury to an employee resulting in his death or his probable disability, his immediate superior shall make a report to the commission containing such information as the commission may require, and shall thereafter make such supplementary reports as the commission may require. (Sept. 7, 1916, ch. 458, § 24, 39 Stat. 747.)

§ 775. **Assignment of claim for compensation.**—Any assignment of a claim for compensation under sections 751-791, 793 of this title shall be void, and all compensation and claims therefor shall be exempt from all claims of creditors. (Sept. 7, 1916, ch. 458, § 25, 39 Stat. 747.)

§ 776. **Subrogation of United States to employee's right of action; assignment by employee; disposition of moneys collected from person liable.**—If an injury or death for which compensation is payable under sections 751-791, 793 of this title is caused under circumstances creating a legal liability upon some person other than the United States to pay damages therefor, the commission may require the beneficiary to assign to the United States any right of action he may have to enforce such liability of such other person or any right which he may have to share in any money or other property received in satisfaction of such liability of such other person, or the commission may require said beneficiary to prosecute said action in his own name.

If the beneficiary shall refuse to make such assignment or to prosecute said action in his own name when required by the commission, he shall not be entitled to any compensation under sections 751-791, 793 of this title.

The cause of action when assigned to the United States may be prosecuted or compromised by the commission, and if the commission realizes upon such cause of action, it shall apply the money or other property so received in the following manner: After deducting the amount of any compensation already paid to the beneficiary and the expense of such realization or collection, which sum shall be placed to the credit of the employees' compensation fund, the surplus, if any, shall be paid to the beneficiary and credited upon any future payments of compensation payable to him on account of the same injury. (Sept. 7, 1916, ch. 458, § 26, 39 Stat. 747.)

§ 777. Adjustment in case of receipt by employee of money or property in satisfaction of liability of third person.—If an injury or death for which compensation is payable under sections 751-791, 793 of this title is caused under circumstances creating a legal liability in some person other than the United States to pay damages therefor, and a beneficiary entitled to compensation from the United States for such injury or death receives, as a result of a suit brought by him or on his behalf, or as a result of a settlement made by him or on his behalf, any money or other property in satisfaction of the liability of such other person, such beneficiary shall, after deducting the costs of suit and a reasonable attorney's fee, apply the money or other property so received in the following manner:

(A) If his compensation has been paid in whole or in part, he shall refund to the United States the amount of compensation which has been paid by the United States and credit any surplus upon future payments of compensation payable to him on account of the same injury. Any amount so refunded to the United States shall be placed to the credit of the employees' compensation fund.

(B) If no compensation has been paid to him by the United States, he shall credit the money or other property so received upon any compensation payable to him by the United States on account of the same injury. (Sept. 7, 1916, ch. 458, § 27, 39 Stat. 747.)

§ 778. United States Employees' Compensation Commission.—The United States Employees' Compensation Commission shall be composed of three commissioners appointed by the President, by and with the advice and consent of the Senate, one of whom shall be designated by the President as chairman. No commissioner shall hold any other office or position under the United States. No more than two of said commissioners shall be members of the same political party. One of said commissioners shall be appointed for a term of two years, one for a term of four years, and one for a term of six years, and at the expiration of each of said terms, the commissioner then appointed shall be appointed for a period of six years. The principal office of said

commission shall be in Washington, District of Columbia, but the said commission is authorized to perform its work at any place deemed necessary by said commission, subject to the restrictions and limitations of sections 751-791, 793 of this title. (Sept. 7, 1916, ch. 458, § 28, 39 Stat. 748.)

§ 779. Same; other official bodies discontinued; reports from other departments to; transfer of clerks and employees.—Upon the organization of said commission and notification to the heads of all executive departments that the commission is ready to take up the work devolved upon it by sections 751-791, 793 of this title, all commissions and independent bureaus, by or in which payments for compensation were provided, on September 7, 1916, together with the adjustment and settlement of such claims, shall cease and determine, and such executive departments, commissions, and independent bureaus shall transfer all pending claims to said commission to be administered by it. The said commission may obtain, in all cases, in addition to the reports provided in section 774 of this title, such information and such reports from employees of the departments as may be agreed upon by the commission and the heads of the respective departments. All clerks and employees on September 7, 1916, exclusively engaged in carrying on said work in the various executive departments, commissions, and independent bureaus, are transferred to, and become employees of, the commission at their present grades and salaries. (Sept. 7, 1916, ch. 458, § 28a, 39 Stat. 748.)

§ 780. Same; subpoenas for witnesses.—The commission, or any commissioner by authority of the commission, shall have power to issue subpoenas for and compel the attendance of witnesses within a radius of one hundred miles, to require the production of books, papers, documents, and other evidence, to administer oaths, and to examine witnesses, upon any matter within the jurisdiction of the commission. (Sept. 7, 1916, ch. 458, § 29, 39 Stat. 748.)

§ 783. Same; rules and regulations.—The commission is authorized to make necessary rules and regulations for the enforcement of sections 751-791, 793 of this title, and shall decide all questions arising under said sections. (Sept. 7, 1916, ch. 458, § 32, 39 Stat. 749.)

§ 785. Employees' compensation fund.—There is authorized to be appropriated, from any money in the Treasury not otherwise appropriated, the sum of \$500,000, to be known as the employees' compensation fund. To this fund there shall be added such sums as Congress may from time to time appropriate for the purpose. Such fund, including all additions that may be made to it, is authorized to be permanently appropriated for the payment of the compensation provided by sections 751-791, 793 of this title, including the medical, surgical, and hospital services and supplies provided by section 759 of this title, and the transportation and burial expenses provided by sections 759 and 761 of this title. The commission shall submit annually to the Bureau of the Budget estimates of the appropriations

necessary for the maintenance of the fund. (Sept. 7, 1916, ch. 458, § 35, 39 Stat. 749; June 10, 1921, ch. 18, § 215, 42 Stat. 23.)

§ 786. Findings and award by Commission; payment of compensation.—The commission, upon consideration of the claim presented by the beneficiary, and the report furnished by the immediate superior and the completion of such investigation as it may deem necessary, shall determine and make a finding of facts thereon and make an award for or against payment of the compensation provided for in sections 751-791, 793 of this title. Compensation when awarded shall be paid from the employees' compensation fund. (Sept. 7, 1916, ch. 458, § 36, 39 Stat. 749.)

§ 787. Same; review.—If the original claim for compensation has been made within the time specified in section 770 of this title, the commission may, at any time, on its own motion or on application, review the award, and, in accordance with the facts found on such review, may end, diminish, or increase the compensation previously awarded, or, if compensation has been refused or discontinued, award compensation. In the absence of fraud or mistake in mathematical calculation, the finding of facts in, and the decision of the commission upon, the merits of any claim presented under or authorized by sections 751-791, 793 of this title if supported by competent evidence shall not be subject to review by any other administrative or accounting officer, employee, or agent of the United States. Any award made by the Compensation Commission for disability or death resulting from a personal injury sustained prior to June 5, 1924, shall be valid, if such award would be valid if made in respect to an injury sustained thereafter. (Sept. 7, 1916, ch. 458, § 37, 39 Stat. 749; June 5, 1924, ch. 261, § 1, 43 Stat. 389.)

§ 788. Same; cancellation; recovery of compensation paid.—If any compensation is paid under a mistake of law or fact, the commission shall immediately cancel any award under which such compensation has been paid and shall recover as far as practicable, any amount which has been so paid. Any amount so recovered shall be placed to the credit of the employees' compensation fund. (Sept. 7, 1916, ch. 458, § 38, 39 Stat. 749.)

§ 789. Penalty for perjury.—Whoever makes, in any affidavit required under section 754 of this title or in any claim for compensation, any statement, knowing it to be false, shall be guilty of perjury and shall be punished by a fine of not more than \$2,000, or by imprisonment for not more than one year, or by both such fine and imprisonment. (Sept. 7, 1916, ch. 458, § 39, 39 Stat. 749.)

§ 790. Terms defined.—Whenever used in sections 751-791, 793 of this title—

The singular includes the plural and the masculine includes the feminine.

The term "employees" includes all civil employees of the United States and of the Panama Railroad Company, commissioned officers of the Regular Corps of the Public Health Service, officers in the Reserve of the Public Health Service on active duty, and all persons, other than independent contractors and

their employees, employed on the Menominee Indian Reservation in the State of Wisconsin, subsequent to September 7, 1916, in operations conducted pursuant to the Act entitled "An Act to authorize the cutting of timber, the manufacture and sale of lumber, and the preservation of the forests on the Menominee Indian Reservation in the State of Wisconsin," approved March 28, 1908, as amended, or any other Act relating to tribal timber and logging operations on the Menominee Reservation.

The term "commission" shall be taken to refer to the United States Employees' Compensation Commission provided for in section 778 of this title.

The term "physician" includes surgeons and osteopathic practitioners within the scope of their practice as defined by State law.

The term "medical, surgical, and hospital services and supplies" includes services and supplies by osteopathic practitioners and hospitals within the scope of their practice as defined by State law.

The term "monthly pay" shall be taken to refer to the monthly pay at the time of the injury.

The term "injury" includes, in addition to injury by accident, any disease proximately caused by the employment.

The term "compensation" includes the money allowance payable to an employee or his dependents and any other benefits paid for out of the compensation fund: *Provided, however, That* this shall not in any way reduce the amount of the monthly compensation payable in case of disability or death. (Sept. 7, 1916, ch. 458, § 40, 39 Stat. 750; June 5, 1924, ch. 261, § 2, 43 Stat. 389; May 31, 1938, ch. 293, 52 Stat. 586; Apr. 11, 1940, ch. 79, § 1, 54 Stat. 105; July 1, 1944, ch. 373, title VI, § 605 (b), 53 Stat. 712.)

SUBSISTENCE EXPENSE ACT OF 1926

§ 821. **Short title.**—Sections 821-823, 824-833 of this title may be cited as the "Subsistence Expense Act of 1926." (June 3, 1926, ch. 457, § 1, 44 Stat. 688.)

EFFECTIVE DATE

Effective date of sections 821-823, 824-833, see section 833 of this title.

§ 822. **Definitions.**—When used in sections 821-823, 824-833 of this title—

The term "departments and establishments" means any executive department, independent commission board, bureau, office, agency, or other establishment of the Government, including the municipal government of the District of Columbia.

The term "subsistence" means lodging, meals, and other necessary expenses incidental to the personal sustenance or comfort of the traveler.

The term "actual expenses" means the actual amounts necessarily expended by the traveler for subsistence and itemized in accounts for reimbursement.

The term "per diem allowance" means a daily flat rate of payment in lieu of actual expenses. (June 3, 1926, ch. 457, § 2, 44 Stat. 689.)

EFFECTIVE DATE

Effective date of sections 821-823, 824-833, see section 833 of this title.

§ 823. Officers and employees away on official business; allowance of actual necessary expenses.—Civilian officers and employees of the departments and establishments, while traveling on official business and away from their designated posts of duty, shall be allowed, in lieu of their actual expenses for subsistence and all fees or tips to porters and stewards, a per diem allowance to be prescribed by the heads of the departments and establishments concerned at a rate not to exceed \$6 within the limits of the continental United States, and not to exceed an average of \$7 beyond the limits of the continental United States. (June 3, 1926, ch. 457, § 3, 44 Stat. 689; June 30, 1932, ch. 314, § 207, 47 Stat. 405. Jan. 30, 1942, ch. 29, 56 Stat. 39.)

CROSS REFERENCE

Use of own motorcycle or automobile, allowance for, see section 73a of this title.

§ 823a. Transportation of effects; automobiles.—After July 1, 1932, no law or regulation authorizing or permitting the transportation at Government expense of the effects of officers, employees, or other persons, shall be construed or applied as including or authorizing the transportation of an automobile: *Provided*, That not more than \$5,000 in any fiscal year may be expended for such purposes by the War Department, and not more than \$5,000 in any fiscal year by the Navy Department: *Provided further*, That funds available to the Department of State may be expended for the transportation of a personally owned automobile in any case where the Secretary of State shall determine that ocean transportation is necessary for any part of the distance between points of origin and destination, except that this authorization shall not be extended to any Ambassador or Minister when proceeding to a post of duty where a Government-owned automobile shall have been provided for his use. (June 30, 1932, ch. 314, § 209, 47 Stat. 405; Apr. 30, 1940, ch. 172, 54 Stat. 174.)

EFFECTIVE DATE

Effective date of act June 30, 1932, cited to text, see note under section 73c of this title.

CROSS REFERENCES

Household goods and personal effects of civilian employees, see section 73c-1 of this title.

§ 827. Regulations governing expenses or per diem; standardization.—The fixing and payment, under section 823 of this title, of per diem allowance, or portions thereof, shall be in accordance with regulations which shall be promulgated by the heads of departments and establishments and which shall be standardized as far as practicable and shall not be effective until approved by the President of the United States. (June 3, 1926, ch. 457, § 7, 44 Stat. 689; June 30, 1932, ch. 314, § 208, 47 Stat. 405.)

EFFECTIVE DATE

Effective date of sections 821-823, 824-833, see section 833 of this title.

§ 828. Advancements and deductions thereof.—The heads of departments and establishments, under regulations which shall be prescribed by the Secretary of the Treasury for the protection of the United States, may advance through the proper disbursing officers from applicable appropriations to any person entitled to actual expenses or per diem allowance under sections 821-823, 824-833 of this title such sums as may be deemed advisable considering the character and probable duration of the travel to be performed. Any sums so advanced shall be recovered from the person to whom advanced, or his estate, by deduction from any amount due from the United States or by such other legal method of recovery as may be necessary. (June 3, 1926, ch. 457, § 8, 44 Stat. 689.)

EFFECTIVE DATE

Effective date of sections 821-823, 824-833, see section 833 of this title.

§ 829. Repeal of inconsistent laws; exceptions.—All laws or parts of laws which are inconsistent with or in conflict with the provisions of sections 821-823, 824-833 of this title, except such laws or parts of law as specially fix or now permit rates higher than the maximum rates established in said sections, are hereby repealed or modified only to the extent of such inconsistency or conflict. (June 3, 1926, ch. 457, § 9, 44 Stat. 689.)

EFFECTIVE DATE

Effective date of sections 821-823, 824-833, see section 833 of this title.

AMENDMENT

1932—Act June 30, 1932, ch. 314, § 210, 47 Stat. 406, amending sections 823, 827, adding section 823a, and repealing sections 824-826, all of this title, repealed all acts inconsistent therewith.

§ 833. Effective date of sections 821-823, 824-833; no deficiency in appropriations authorized.—Sections 821-823, 824-833 of this title shall take effect on July 1, 1926, but any increases deemed necessary to be made in the rates of actual expenses or per diem allowance under the authority of said sections shall not be authorized by heads of departments and establishments to the extent of incurring a deficiency in appropriations available for the payment thereof during the fiscal year 1927. (June 3, 1926, ch. 457, § 13, 44 Stat. 690.)

PREFERENCE OF VETERANS IN GOVERNMENT EMPLOYMENT

§ 851. Persons entitled to federal employment preferences.—In certification for appointment, in appointment, in reinstatement, in reemployment, and in retention in civilian positions in all establishments, agencies, bureaus, administrations, projects, and departments of the Government, permanent or temporary, and in either (a) the classified civil service; (b) the unclassified civil service; (c) any temporary or emergency establishment, agency, bureau, administration, project, and department created by Acts of Congress or Presidential Executive order; and (d) the civil service of the District of Columbia, preference shall be given to (1) those ex-servicemen and women who have served

on active duty in any branch of the armed forces of the United States and have been separated therefrom under honorable conditions and who have established the present existence of a service-connected disability or who are receiving compensation, disability retirement benefits, or pension by reason of public laws administered by the Veterans' Administration, the War Department or the Navy Department; (2) the wives of such service-connected disabled ex-servicemen as have themselves been unable to qualify for any civil-service appointment; (3) the unmarried widows of deceased ex-servicemen who served on active duty in any branch of the armed forces of the United States during any war, or in any campaign or expedition (for which a campaign badge has been authorized), and who were separated therefrom under honorable conditions; and (4) those ex-servicemen and women who have served on active duty in any branch of the armed forces of the United States, during any war, or in any campaign or expedition (for which a campaign badge has been authorized), and have been separated therefrom under honorable conditions. (June 27, 1944, ch. 287, § 2, 58 Stat. 387.)

SHORT TITLE

Section 1 of act June 27, 1944, cited to text, provided: "That this Act [sections 851-869 of this title] may be cited as the 'Veterans' Preference Act of 1944'."

SEPARABILITY PROVISIONS

Section 21 of act June 27, 1944, cited to text, provided: "If any part of this Act [sections 851-869 of this title] shall be found to be unconstitutional, the rest of it shall be considered as in full force and effect."

§ 852. Examinations; earned ratings; additional credit.—In all examinations to determine the qualifications of applicants for entrance into the services ten points shall be added to the earned ratings of these persons included under section 851 (1), (2), and (3) of this title, and five points shall be added to the earned ratings of those persons included under section 851 (4) of this title: *Provided*, That in examinations for the positions of guards, elevator operators, messengers, and custodians competition shall be restricted to persons entitled to preference under this chapter as long as persons entitled to preference are available and during the present war and for a period of five years following the termination of the present war as proclaimed by the President or by a concurrent resolution of the Congress for such other positions as may from time to time be determined by the President. (June 27, 1944, ch. 287, § 3, 58, Stat. 388.)

SAVING CLAUSE

Separability provisions, see note set out under section 851 of this title.

§ 853. Credit for experience.—In examinations where experience is an element of qualification, time spent in the military or naval service of the United States shall be credited in a veteran's rating where his or her actual employment in a similar vocation to that for which he or she is examined was interrupted by such military or naval service. In all examinations to determine the qualifications of a veteran applicant, credit shall be given for all valuable experience, including experience gained

in religious, civic, welfare, service, and organizational activities, regardless of whether any compensation was received therefor. (June 27, 1944, ch. 287, § 4, 58 Stat. 388.)

SAVING CLAUSE

Separability provisions, see note set out under section 851 of this title.

§ 854. Waiver of physical and educational qualifications.—In determining qualifications for examination, appointment, promotion, retention, transfer, or reinstatement, with respect to preference eligibles, the Civil Service Commission or other examining agency shall waive requirements as to age, height, and weight, provided any such requirement is not essential to the performance of the duties of the position for which examination is given. The Civil Service Commission or other examining agency, after giving due consideration to the recommendation of any accredited physician, shall waive the physical requirements in the case of any veteran, provided such veteran is, in the opinion of the Civil Service Commission, or other examining agency physically able to discharge efficiently the duties of the position for which the examination is given. No minimum educational requirement will be prescribed in any civil-service examination except for such scientific, technical, or professional positions the duties of which the Civil Service Commission decides cannot be performed by a person who does not have such education. The Commission shall make a part of its public records its reasons for such decision. (June 27, 1944, ch. 287, § 5, 58 Stat. 388.)

SAVING CLAUSE

Separability provisions, see note set out under section 851 of this title.

§ 855. Exemption from certain restrictive laws.—Preference eligibles shall not be subect to the provisions of section 641 of this title concerning two or more members of a family in the service, or to the provisions of section 633 of this title concerning apportionment of appointments in the Government departments in the District of Columbia among the several States and Territories according to population, but may be required to furnish evidence of residence and domicile. (June 27, 1944, ch. 287(§ 6, 58 Stat. 389.)

SAVING CLAUSE

Separability provisions, see note set out under section 851 of this title.

§ 856. Register or lists of eligibles; entry rank.—The names of preference eligibles shall be entered on the appropriate registers or lists of eligibles in accordance with their respective augmented ratings, and the name of a preference eligible shall be entered ahead of all others having the same rating: *Provided*, That, except for positions in the professional and scientific services for which the entrance salary is over \$3,000 per annum, the names of all qualified preference eligibles, entitled to ten points in addition to their earned ratings shall be placed at the top of the appropriate civil-service register or employment list, in accordance with their respective augmented ratings. (June 27, 1944, ch. 287, § 7, 58 Stat. 389.)

SAVING CLAUSE

Separability provisions, see note set out under section 851 of this title.

§ 857. Certification of eligibles; selection from available names; exceptions; promotion of substitutes in postal service.—When, in accordance with civil-service laws and rules, a nominating or appointing officer shall request certification of eligibles for appointment purposes, the Civil Service Commission shall certify, from the top of the appropriate register of eligibles, a number of names sufficient to permit the nominating or appointment officer to consider at least three names in connection with each vacancy. The nominating or appointing officer shall make selection for each vacancy from not more than the highest three names available for appointment on such certification, unless objection shall be made, and sustained by the Commission, to one or more of the persons certified, for any proper and adequate reason, as may be prescribed in the rules promulgated by the Civil Service Commission: *Provided*, That an appointing officer who passes over a veteran eligible and selects a nonveteran shall file with the Civil Service Commission his reasons in writing for so doing, which shall become a part of the record of such veteran eligible, and shall be made available upon request to the veteran or his designated representative; the Civil Service Commission is directed to determine the sufficiency or such submitted reasons and, if found insufficient, shall require such appointment officer to submit more detailed information in support thereof; the findings of the Civil Service Commission as to the sufficiency or insufficiency of such reasons shall be transmitted to and considered by such appointing officer, and a copy thereof shall be sent to the veteran eligible or to his designated representative upon request therefor: *Provided, further*, That if, upon certification, reasons deemed sufficient by the Civil Service Commission for passing over his name shall three times have been given by an appointing officer, certification of his name for appointment may thereafter be discontinued, prior notice of which shall be sent to the veteran eligible. Whenever in the Postal Service two or more substitutes are appointed on the same day, they shall be promoted to the regular force in the order in which their names appeared on the civil-service register from which they were originally appointed. whenever there are substitutes of the required sex who are eligible and will accept, unless such vacancies are filled by transfer or reinstatement. (June 27, 1944, ch. 287, § 8, 58 Stat. 389.)

SAVING CLAUSE

Separability provisions, see note set out under section 851 of this title.

§ 858. Unclassified civil service; selection from qualified applicants.—In the unclassified Federal, and District of Columbia, civil service, and in all other positions and employment hereinbefore referred to in (c) of section 851 of this title, the nominating or appointing officer or employing official shall make selection from the qualified applicants in accordance with the provisions of this chapter. (June 27, 1944, ch. 287, § 9, 58 Stat. 389.)

SAVING CLAUSE

Separability provisions, see note set out under section 851 of this title.

§ 859. Periodic examinations by Civil Service Commission.—The Civil Service Commission is authorized and directed to hold an examination, during the next succeeding quarterly period, for any position to which any appointment has been made within the preceding three years, for any person included under section 851 (1), (2), and (3) of this title upon application for examination for any such position. (June 27, 1944, ch. 287, § 10, 58 Stat. 390.)

SAVING CLAUSE

Separability provisions, see note set out under section 851 of this title.

§ 860. Rules and regulations by Civil Service Commission.—The Civil Service Commission is hereby authorized to promulgate appropriate rules and regulations for the administration and enforcement of the provisions of this chapter. (June 27, 1944, ch. 287, § 11, 58 Stat. 390.)

SAVING CLAUSE

Separability provisions, see note set out under section 851 of this title.

§ 861. Reduction in personnel; considerations affecting release.—In any reduction in personnel in any civilian service of any Federal agency, competing employees shall be released in accordance with Civil Service Commission regulations which shall give due effect to tenure of employment, military preference, length of service, and efficiency ratings: *Provided*, That the length of time spent in active service in the armed forces of the United States of each such employee shall be credited in computing length of total service: *Provided further*, That preference employees whose efficiency ratings are "good" or better shall be retained in preference to all other competing employees and that preference employees whose efficiency ratings are below "good" shall be retained in preference to competing nonpreference employees who have equal or lower efficiency ratings: *And provided further*, That when any or all of the functions of any agency are transferred to, or when any agency is replaced by, some other agency, or agencies, all preference employees in the function or functions transferred or in the agency which is replaced by some other agency shall first be transferred to the replacing agency, or agencies, for employment in positions for which they are qualified, before such agency, or agencies, shall appoint additional employees from any other source for such positions. (June 27, 1944, ch. 287, § 12, 58 Stat. 390.)

SAVING CLAUSE

Separability provisions, see note set out under section 851 of this title.

§ 862. Recertification and reappointment of resigned, dismissed, or furloughed employees.—Any preference eligible who has resigned or who has been dismissed or furloughed may, at the request of any appointing officer, be certified for, and appointed to, any position for which he may be eligible in the civil service, Federal, or District of Columbia, or in any estab-

ment, agency, bureau, administration, project, or department, bureau, administration, project, or department, temporary or permanent. (June 27, 1944, ch. 287, § 13, 58 Stat. 398.)

SAVING CLAUSE

Separability provisions, see note set out under section 851 of this title.

§ 863. Discharge, suspension, etc., only for cause; reason in writing; advance notice; personal appearance; findings and recommendations.—No permanent or indefinite preference eligible, who has completed a probationary or trial period employed in civil service, or in any establishment, agency, bureau, administration, project, or department, hereinbefore referred to shall be discharged, suspended for more than thirty days, furloughed without pay, reduced in rank or compensation, or debarred for future appointment except for such cause as will promote the efficiency of the service and for reasons given in writing, and the person whose discharge, suspension for more than thirty days, furlough without pay, or reduction in rank or compensation is sought shall have at least thirty days' advance written notice (except where there is reasonable cause to believe the employee to be guilty of a crime for which a sentence of imprisonment can be imposed), stating any and all reasons, specifically and in detail, for any such proposed action; such preference eligible shall be allowed a reasonable time for answering the same personally and in writing, and for furnishing affidavits in support of such answer, and shall have the right to appeal to the Civil Service Commission from an adverse decision of the administrative officer so acting, such appeal to be made in writing within a reasonable length of time after the date of receipt of notice of such adverse decision: *Provided*, That such preference eligible shall have the right to make a personal appearance, or an appearance through a designated representative, in accordance with such reasonable rules and regulations as may be issued by the Civil Service Commission; after investigation and consideration of the evidence submitted, the Civil Service Commission shall submit its findings and recommendations to the proper administrative officer and shall send copies of same to the appellant or to his designated representative: *Provided further*, That the Civil Service Commission may declare any such preference eligible who may have been dismissed or furloughed without pay to be eligible for the provisions of section 864 of this title. (June 27, 1944, ch. 287, § 14, 58 Stat. 390.)

SAVING CLAUSE

Separability provisions, see note set out under section 851 of this title.

§ 864. Separated or furloughed eligibles as entitled to reclassification and reappointment.—Any preference eligible, who has been furloughed, or separated without delinquency or misconduct, upon request, shall have his name placed on all appropriate civil-service registers and/or on all employment lists, for every position for which his qualifications have been established, as maintained by the Civil Service Commission, or as shall be maintained by any agency or project of the Federal Government, or

of the District of Columbia, in the order as provided in section 856 of this title, and shall then be eligible for recertification and reappointment in the order and according to the procedure as provided for in sections 856 and 857 of this title. No appointment shall be made from an examination register of eligibles, except of ten-point preference eligibles, when there are three or more names of preference eligibles on any appropriate reemployment list for the position to be filled. (June 27, 1944, ch. 287, § 15, 58 Stat. 391.)

SAVING CLAUSE

Separability provisions, see note set out under section 851 of this title.

§ 865. Resigned eligibles as entitled to reclassification and reappointment.—Any preference eligible who has resigned shall, upon request to the Civil Service Commission, have his name again placed on all proper civil-service registers for which he may have been qualified, in order as provided for in section 856 of this title, and shall then be eligible for recertification and reappointment in the order, and according to the procedure, as provided for in sections 856 and 857 of this title. (June 27, 1944, ch. 287, § 16, 58 Stat. 391.)

SAVING CLAUSE

Separability provisions, see note set out under section 851 of this title.

§ 866. Definition of "Civil Service Commission" or "Commission."—The term "Civil Service Commission" or "Commission" as used in this chapter shall mean the present United States Civil Service Commission or any body or person who may by law succeed to its powers and duties, or any of them, or which or who may be designated by law to perform any specific duty and possess any specific power concerning matters covered by this chapter. (June 27, 1944, ch. 287, § 17, 58 Stat. 391.)

SAVING CLAUSE

Separability provisions, see note set out under section 851 of this title.

§ 867. Repeal of inconsistent laws; saving clause.—All Acts and parts of Acts inconsistent with the provisions hereof are hereby modified to conform herewith, and this chapter shall not be construed to take away from any preference eligible any rights heretofore granted to, or possessed by, him under any existing law, Executive order, civil-service rule or regulation, of any department of the Government or officer thereof. (June 27, 1944, ch. 287, § 18, 58 Stat. 391.)

SAVING CLAUSE

Separability provisions, see note set out under section 851 of this title.

§ 868. Enforcement of rules and regulations by Commission.—It shall be the authority and duty of the Civil Service Commission in all cases under the classified civil service to make and enforce appropriate rules and regulations to carry into full effect the provisions, intent, and purpose of this chapter and such Executive orders as may be issued pursuant thereto and in furtherance thereof. (June 27, 1944, ch. 287, § 19, 58 Stat. 391.)

SAVING CLAUSE

Separability provisions, see note set out under section 851 of this title.

§ 869. Positions exempt from chapter.—Nothing contained in this chapter is intended to apply to any position in or under the legislative or judicial branch of the Government or to any position or appointment which by the Congress is required to be confirmed by, or made with, the advice and consent of the United States Senate: *Provided, however,* That the provisions of this chapter shall apply to appointments under sections 31a, 31b, and 39a of title 39. (June 27, 1944, ch. 287, § 20, 58 Stat. 391.)

SAVING CLAUSE

Separability provisions, see note set out under section 851 of this title.

TITLE 6—OFFICIAL AND PENAL BONDS

2. Examination as to sufficiency of sureties.—Every officer required by law to take and approve official bonds shall cause the same to be examined at least once every two years for the purpose of ascertaining the sufficiency of the sureties thereon; and every officer having power to fix the amount of an official bond shall examine it to ascertain the sufficiency of the amount thereof and approve or fix said amount at least once in two years and as much oftener as he may deem it necessary. (Mar. 2, 1895, ch. 177, § 5, 28 Stat. 807.)

§ 3. Renewal; continuance of liability.—Every officer whose duty it is to take and approve official bonds shall cause all such bonds to be renewed every four years after their dates, but he may require such bonds to be renewed or strengthened oftener if he deem such action necessary. In the discretion of such officer the requirement of a new bond may be waived for the period of service of a bonded officer after the expiration of a four-year term of service pending the appointment and qualification of his successor. The nonperformance of any requirement of the provisions of sections 1-3 of this title, or of that part of section 27 of Title 19 relating to transmitting copies of oaths to the Secretary of the Treasury, on the part of any official of the Government shall not be held to affect in any respect the liability of principal or sureties on any bond made or to be made to the United States. The liability of the principal and sureties on all official bonds shall continue and cover the period of service ensuing until the appointment and qualification of the successor of the principal. Nothing in said sections shall be construed to repeal or modify section 38 of Title 39: *Provided,* That the payment and acceptance of the annual premium on corporate surety bonds furnished by postal officers and employees, officers and employees of other civilian agencies of the United States and bonded officers and enlisted men of the Army, Navy, Marine Corps, and Coast Guard shall be a compliance with the requirement for the renewal of such bonds within the meaning of sections 1-3 of this title. (Mar. 2, 1895, ch. 177, § 5, 28 Stat. 807; Mar. 8, 1928, ch. 148, 45 Stat. 247; Mar. 31, 1944, ch. 148, 58 Stat. 135.)

§ 4. Notice of delinquency of principal.—Whenever any deficiency shall be discovered in the accounts of any official of the United States, or of any officer disbursing or chargeable with public money, it shall be the duty of the accounting officers making such discovery to at once notify the head of the department having control over the affairs of said officer of the nature and amount of said deficiency, and it shall be the immediate duty of said head of department to at once notify all obligors upon the bond or bonds of such official of the nature of such deficiency and the amount thereof. Said notification shall be deemed sufficient if mailed at the post office in the city of Washington, District of Columbia, addressed to said sureties respectively and directed to the respective post offices where said obligors may reside, if known; but a failure to give or mail such notice shall not discharge the surety or sureties upon such bond. (Aug. 8, 1888, ch. 787, § 1, 25 Stat. 387.)

§ 5. Limitation of actions against sureties.—If, upon the statement of the account of any official of the United States, or of any officer disbursing or chargeable with public money, by the accounting officers, it shall thereby appear that he is indebted to the United States, and suit therefor shall not be instituted within five years after such statement of said account, the sureties on his bond shall not be liable for such indebtedness. (Aug. 8, 1888, ch. 787, § 2, 25 Stat. 387; June 10, 1921, ch. 18, § 301, 42 Stat. 23.)

§ 6. Surety companies as sureties.—Whenever any recognizance, stipulation, bond, or undertaking conditioned for the faithful performance of any duty, or for doing or refraining from doing anything in such recognizance, stipulation, bond, or undertaking specified, is by the laws of the United States required or permitted to be given with one surety or with two or more sureties, the execution of the same or the guaranteeing of the performance of the condition thereof shall be sufficient when executed or guaranteed solely by a corporation incorporated under the laws of the United States or of any State having power to guarantee the fidelity of persons holding positions of public or private trust, and to execute and guarantee bonds and undertakings in judicial proceedings. Such recognizance, stipulation, bond, or undertaking shall be approved by the head of department, court, judge, officer, board, or body executive, legislative, or judicial required to approve or accept the same. No officer or person having the approval of any bond shall exact that it shall be furnished by a guaranty company or any particular guaranty company. (Aug. 13, 1894, ch. 282, § 1, 28 Stat. 279.)

§ 14. Rate of premium on bond; premiums not to be paid by United States.—Until otherwise provided by law no bond shall be accepted from any surety or bonding company for any officer or employee of the United States which shall cost more than 35 per centum in excess of the rate of premium charged for a like bond during the rate of premium charged for a like bond during the calendar year 1908. The United States shall not pay any part of the premium or other cost of furnishing a bond required by

law or otherwise of any officer or employee of the United States. (Aug. 5, 1909, ch. 7, 36 Stat. 125.)

§ 15. **Bonds or notes of United States in lieu of recognizance, stipulation, bond, guaranty, or undertaking; place of deposit; return to depositor; contractors' bonds.**—Wherever by the laws of the United States or regulations made pursuant thereto, any person is required to furnish any recognizance, stipulation, bond, guaranty, or undertaking, hereinafter called "penal bond," with surety or sureties, such person may, in lieu of such surety or sureties, deposit as security with the official having authority to approve such penal bond, United States Liberty bonds or other bonds or notes of the United States in a sum equal at their par value to the amount of such penal bond required to be furnished, together with an agreement authorizing such official to collect or sell such bonds or notes so deposited in case of any default in the performance of any of the conditions or stipulations of such penal bond. The acceptance of such United States bonds or notes in lieu of surety or sureties required by law shall have the same force and effect as individual or corporate sureties, or certified checks, bank drafts, post-office money orders, or cash, for the penalty or amount of such penal bond. The bonds or notes deposited hereunder, and such other United States bonds or notes as may be substituted therefor from time to time as such security, may be deposited with the Treasurer of the United States, a Federal Reserve bank, or other depository duly designated for that purpose by the Secretary, which shall issue receipt therefor, describing such bonds or notes so deposited. As soon as security for the performance of such penal bond is no longer necessary, such bonds or notes so deposited shall be returned to the depositor. In case a person or persons supplying a contractor with labor or material as provided by section 270 of Title 40 shall file with the obligee, at any time after a default in the performance of any contract subject to said section 270, the application and affidavit therein provided, the obligee shall not deliver to the obligor the deposited bonds or notes nor any surplus proceeds thereof until the expiration of the time limited by said section 270 for the institution of suit by such person or persons, and, in case suit shall be instituted within such time, shall hold said bonds or notes or proceeds subject to the order of the court having jurisdiction thereof. Nothing herein contained shall affect or impair the priority of the claim of the United States against the bonds or notes deposited or any right or remedy granted by said section 270 or by this section to the United States for default upon any obligation of said penal bond. All laws inconsistent with this section are hereby so modified as to conform to the provisions hereof. Nothing contained herein shall affect the authority of courts over the security, where such bonds are taken as security in judicial obligations of the United States and any bonds, notes, or other obligations which are unconditionally guaranteed as to both interest and principal by the United States. (Feb. 24, 1919, ch. 18, § 1320, 40 Stat. 1148; Nov. 23, 1921, ch. 136, § 1329, 42 Stat. 318; June 2, 1924, 4:01 p. m., ch. 234, §§ 2, 1029, 43 Stat. 253, 349; Feb. 26, 1926, ch. 27, §§ 2,

1126, 1200, 44 Stat. 9, 122, 125; Feb. 4, 1935, ch. 5 § 7, 49 Stat. 22.)

Title 7—Agriculture

Chapter 1.—COMMODITY EXCHANGES

§ 1. **Short title of chapter.**—This chapter may be cited as the “Commodity Exchange Act.” (Sept. 21, 1922, ch. 369, § 1, 42 Stat. 998; June 15, 1936, ch. 545, § 1, 49 Stat. 1491.)

EFFECTIVE DATE

Section 13 of act of June 15, 1936, cited to text, provided that amendment to this section by that act should become effective 90 days after June 15, 1936.

§ 2. **Definitions.**—For the purposes of this chapter “contract of sale” shall be held to include sales, agreements of sale, and agreements to sell. The word “person” shall be construed to import the plural or singular, and shall include individuals, associations, partnerships, corporations, and trusts. The word “commodity” shall mean wheat, cotton, rice, corn, oats, barley, rye, flaxseed, grain sorghums, mill feeds, butter, eggs, *Solanum tuberosum* (Irish potatoes), wool tops, fats, and oils (including lard, tallow, cottonseed oil, peanut oil, soybean oil and all other fats and oils), cottonseed meal, cottonseed, peanuts, soybeans and soybean meal. The term “future delivery”, as used herein, shall not include any sale of any cash commodity for deferred shipment or delivery. The words “board of trade” shall be held to include and mean any exchange or association, whether incorporated or unincorporated, of persons who shall be engaged in the business of buying or selling commodity or receiving the same for sale on consignment. The words “interstate commerce” shall be construed to mean commerce between any State, Territory, or possession, or the District of Columbia, and any place outside thereof; or between points within the same State, Territory, or possession, or the District of Columbia, but through any place outside thereof, or within any Territory or possession, or the District of Columbia. The words “cooperative association of producers” shall mean any cooperative association, corporate or otherwise, not less than 75 per centum in good faith owned or controlled, directly or indirectly, by producers of agricultural products and otherwise complying with sections 291 and 292 of this title, as now or hereafter amended, including any organization acting for a group of such associations and owned or controlled by such associations, provided that business done for or with the United States of America, or any agency thereof, shall not be considered either member or nonmember business in determining the compliance of any such association with said section. The words “member of a contract market” shall mean and include individuals, associations, partnerships, corporations, and trusts owning or holding membership in, or admitted to membership representation on, a contract market or given members’ trading privileges thereon. The words “futures commission merchant” shall mean and include individuals, associations, partnerships, corporations, and trusts engaged in soliciting or in accepting orders for the purchase or sale of any commodity for future delivery on or subject

to the rules of any contract market and that, in or in connection with such solicitation or acceptance of orders, accepts any money, securities, or property (or extends credit in lieu thereof) to margin, guarantee, or secure any trades or contracts that result or may result therefrom. The words "floor broker" shall mean any person who, in or surrounding any "pit," "ring," "post," or other place provided by a contract market for the meeting of persons similarly engaged, shall engage in executing for others any order for the purchase or sale of any commodity for future delivery on or subject to the rules of any contract market, and who for such services receives or accepts any commission or other compensation. The words "the commission" shall mean the Commodity Exchange Commission, consisting of the Secretary of Agriculture, the Secretary of Commerce, and the Attorney General. (Sept. 21, 1922, ch. 369, § 2, (a), 42 Stat. 998; June 15, 1936, ch. 545; §§ 2, 3, 49 Stat. 1491; April 7, 1938, ch. 108, 52 Stat. 205; Oct. 9, 1940, ch. 786, § 1, 54 Stat. 1059.)

EFFECTIVE DATE

See note under section 1 of this title.

§ 3. When transaction deemed in interstate commerce; "State" defined.—For the purposes of this chapter (but not in any wise limiting the definition of interstate commerce in section 2 of this title) a transaction in respect to any article shall be considered to be in interstate commerce if such article is part of that current of commerce usual in the commodity trade whereby commodity and commodity products and by-products thereof are sent from one State, with the expectation that they will end their transit, after purchase, in another, including in addition to cases within the above general description, all cases where purchase or sale is either for shipment to another State, or for manufacture within the State and the shipment outside the State of the products resulting from such manufacture. Articles normally in such current of commerce shall not be considered out of such commerce through resort being had to any means or device intended to remove transactions in respect thereto from the provisions of this chapter. For the purpose of this section the word "State" includes Territory, the District of Columbia, possession of the United States, and foreign nation. (Sept. 21 1922, ch. 369, § 2 (b), 42 Stat. 998; June 15, 1936, ch. 545, § 2, 49 Stat. 1491.)

EFFECTIVE DATE

See note under section 1 of this title.

§ 4. Liability of principal for act of agent.—For the purpose of this chapter the act, omission, or failure of any official, agent, or other person acting for any individual, association, partnership, corporation, or trust within the scope of his employment or office shall be deemed the act, omission, or failure of such individual, association, partnership, corporation, or trust, as well as of such official, agent, or other person. (Sept. 21, 1922, ch. 369, § 2 (a), 42 Stat. 998.)

§ 5. Resolution declaring dangerous tendency of dealings in commodity futures.—Transactions in commodities involving the

sale thereof for future delivery as commonly conducted on boards of trade and known as "futures" are affected with a national public interest; such transactions are carried on in large volume by the public generally and by persons engaged in the business of buying and selling commodities and the products and byproducts thereof in interstate commerce; the prices involved in such transactions are generally quoted and disseminated throughout the United States and in foreign countries as a basis for determining the prices to the producer and the consumer of commodities and the products and byproducts thereof and to facilitate the movements thereof in interstate commerce; such transactions are utilized by shippers, dealers, millers and others engaged in handling commodities and the products and byproducts thereof in interstate commerce as a means of hedging themselves against possible loss through fluctuations in price; the transactions and prices of commodities on such boards of trade are susceptible to speculation, manipulation, and control, and sudden or unreasonable fluctuations in the prices thereof frequently occur as a result of such speculation, manipulation, or control, which are detrimental to the producer or the consumer and the persons handling commodities and products and byproducts thereof in interstate commerce, and such fluctuations in prices are an obstruction to and a burden upon interstate commerce in commodities and the products and byproducts thereof and render regulation imperative for the protection of such commerce and the national public interest therein. (Sept. 21, 1922, ch. 369, § 3, 42 Sta. 999; June 15, 1936, ch. 545, § 2, 49 Stat. 1491.)

EFFECTIVE DATE

See note under section 1 of this title.

§ 6. Prohibition against dealings in commodity futures; general exceptions.—It shall be unlawful for any person to deliver for transmission through the mails or in interstate commerce by telegraph, telephone, wireless, or other means of communication any offer to make or execute, or any confirmation of the execution of, any quotation or report of the price of, and contract of sale of any commodity for future delivery on or subject to the rules of any board of trade in the United States, or for any person to make or execute such contract of sale, which is or may be used for (a) hedging any transaction in interstate commerce in any commodity or the products or byproducts thereof, or (b) determining the price basis of any such transaction in interstate commerce, or (c) delivering any commodity sold, shipped, or received in interstate commerce for the fulfillment thereof, except, in any of the foregoing cases, where such contract is made by or through a member of a board of trade which has been designated by the Secretary of Agriculture as a "contract market," as hereinafter provided in this chapter, and if such contract is evidenced by a record in writing which shows the date, the parties to such contract and their addresses, the property covered and its price, and the terms of delivery: *Provided*, That each board member shall keep such record for a period of three years from the date thereof or for a longer period if the Secretary of Agriculture shall

so direct, which record shall at all times be open to the inspection of any representative of the United States Department of Agriculture or the United States Department of Justice. (Sept. 21, 1922, ch. 369, § 4, 42 Stat. 999; June 15, 1936, ch. 545, §§ 2, 4, 49 Stat. 1491, 1492.)

EFFECTIVE DATE

See note under section 1 of this title.

§ 6a. Excessive speculation as burden on interstate commerce; trading limits; hedging transactions; application of section.—

(1) Excessive speculation in any commodity under contracts of sale of such commodity for future delivery made on or subject to the rules of contract markets causing sudden or unreasonable fluctuations or unwarranted changes in the price of such commodity, is an undue and unnecessary burden on interstate commerce in such commodity. For the purpose of diminishing, eliminating, or preventing such burden, the commission shall, from time to time, after due notice and opportunity for hearing, by order, proclaim and fix such limits on the amount of trading under contracts of sale of such commodity for future delivery on or subject to the rules of any contract market which may be done by any person as the commission finds is necessary to diminish, eliminate, or prevent such burden. Nothing in this section shall be construed to prohibit the commission from fixing different trading limits for different commodities, markets, futures, or delivery months, or different trading limits for buying and selling operations, or different limits for the purposes of subparagraphs (A) and (B) of this section, or from exempting transactions commonly known to the trade as "spreads" or "straddles" or from fixing trading limits applying to such transactions different from trading limits fixed for other transactions.

(2) The commission shall, in such order, fix a reasonable time (not to exceed ten days) after the order's promulgation; after which, and until such order is suspended, modified, or revoked, it shall be unlawful for any person—

(A) directly or indirectly to buy or sell, or agree to buy or sell, under contracts of sale of such commodity for future delivery on or subject to the rules of the contract market or markets to which the order applies, any amount of such commodity during any one business day in excess of any trading limit fixed for one business day by the commission in such order for or with respect to such commodity; or

(B) directly or indirectly to buy or sell, or agree to buy or sell, under contracts of sale of such commodity for future delivery on or subject to the rules of any contract market, any amount of such commodity that shall result in giving such person a net long or net short position at any one time in or with respect to any such commodity in excess of any trading limit fixed by the commission for net long or net short position in such order for or with respect to such commodity.

(3) No order issued under paragraph (1) of this section shall apply to transactions which are shown to be bona fide hedging transactions. For the purposes of this paragraph, bona fide

hedging transactions shall mean sales of any commodity for future delivery on or subject to the rules of any board of trade to the extent that such sales are offset in quantity by the ownership or purchase of the same cash commodity or, conversely, purchases of any commodity for future delivery on or subject to the rules of any board of trade to the extent that such purchases are offset by sales of the same cash commodity. There shall be included in the amount of any commodity which may be hedged by any person—

(A) the amount of such commodity such person is raising, or in good faith intends or expects to raise, within the next twelve months, on land (in the United States or its Territories) which such person owns or leases;

(B) an amount of such commodity the sale of which for future delivery would be a reasonable hedge against the products or byproducts of such commodity owner or purchased by such person, or the purchase of which for future delivery would be a reasonable hedge against the sale of any product or byproduct of such commodity by such person.

(4) This section shall apply to a person that is registered as a futures commission merchant or as floor broker under authority of this chapter only to the extent that transactions made by such person are made on behalf of or for the account or benefit of such person. This section shall not apply to transactions made by, or on behalf of, or at the direction of, the United States, or a duly authorized agency thereof. (Sept. 21, 1922, ch. 369, § 4a, as added June 15, 1936, ch. 545, § 5, 49 Stat. 1492.)

EFFECTIVE DATE

See note under section 1 of this title.

§ 6b. Contracts designed to defraud or mislead customer; bucketing orders; buying and selling orders for cotton.—It shall be unlawful for any member of a contract market, or for any correspondent, agent, or employee of any member, in or in connection with any order to make, or the making of (1) any contract of sale of any commodity in interstate commerce, or (2) any contract of sale of any commodity for future delivery made, or to be made, on or subject to the rules of any contract market for or on behalf of any person if such contract for future delivery is or may be used for (a) hedging any transaction in interstate commerce in such commodity or the products or byproducts thereof, or (b) determining the price basis of any transaction in interstate commerce in such commodity, or (c) delivering any such commodity sold, shipped, or received in interstate commerce for the fulfillment thereof—

(A) to cheat or defraud or attempt to cheat or defraud such person;

(B) willfully to make or cause to be made to such person any false report or statement thereof, or willfully to enter or cause to be entered for such person any false record thereof;

(C) willfully to deceive or attempt to deceive such person by any means whatsoever in regard to any such order or contract or

the disposition or execution of any such order or contract, or in regard to any act of agency performed with respect to such order or contract for such period; or

(D) to bucket such order, or to fill such order by offset against the order or orders of any other person, or willfully and knowingly and without the prior consent of such person to become the buyer in respect to any selling order of such person, or become the seller in respect to any buying order of such person.

Nothing in this section or in any other section of this chapter shall be construed to prevent a futures commission merchant or floor broker who shall have in hand, simultaneously, buying and selling orders at the market for different principals for a like quantity of cotton for future delivery in the same month, from executing such buying and selling orders at the market price: *Provided*, That any such execution shall take place on the floor of the exchange where such orders are to be executed at public outcry across the ring and shall be duly reported, recorded, and cleared in the same manner as other orders executed on such exchange. (Sept. 21, 1922, ch. 369, § 4b, as added June 15, 1936, ch. 545, § 5, 49 Stat. 1493.)

EFFECTIVE DATE

See note under section 1 of this title.

§ 6c. Wash sales; cross trades; fictitious sales; privileges; offers; puts; calls; guaranties.—It shall be unlawful for any person to offer to enter into, enter into, or confirm the execution of, any transaction involving any commodity, which is or may be used for (1) hedging any transaction in interstate commerce in such commodity or the products or byproducts thereof, or (2) determining the price basis of any such transaction in interstate commerce in such commodity, or (3) delivering any such commodity sold, shipped, or received in interstate commerce for the fulfillment thereof—

(A) if such transaction is, is of the character of, or is commonly known to the trade as, a “wash sale,” “cross trade,” or “accommodation trade,” or is a fictitious sale;

(B) if such transaction is, is of the character of, or is commonly known to the trade as, a “privilege,” “indemnity,” “bid,” “offer,” “put,” “call,” “advance guaranty,” or “decline guaranty,” or

(C) if such transaction is used to cause any price to be reported, registered, or recorded which is not a true and bona fide price.

Nothing in this section shall be construed to prevent the exchange of futures in connection with cash commodity transactions or of futures for cash commodities, or of transfer trades or office trades if made in accordance with board of trade rules applying to such transactions and such rules shall not have been disapproved by the Secretary of Agriculture. Nothing in this section or section 6b of this title shall be construed to impair any State law applicable to any transaction enumerated or described in such sections. (Sept. 21, 1922, ch. 369, § 4c, as added June 15, 1936, ch. 545, § 5, 49 Stat. 1494.)

EFFECTIVE DATE

See note under section 1 of this title.

§ 6d. Futures commission merchants, dealing by unregistered merchants prohibited; moneys and securities of customers, care and use.—It shall be unlawful for any person to engage as futures commission merchant in soliciting orders or accepting orders for the purchase or sale of any commodity for future delivery, or involving any contracts of sale of any commodity for future delivery, on or subject to the rules of any contract market unless—

(1) such person shall have registered, under this chapter, with the Secretary of Agriculture as such futures commission merchant and such registration shall not have expired nor been suspended nor revoked; and

(2) such person shall, whether a member or non-member of a contract market, treat and deal with all money, securities, and property received by such person to margin, guarantee, or secure the trades or contracts of any customer of such person, or accruing to such customer as the result of such trades or contracts, as belonging to such customer. Such money, securities, and property shall be separately accounted for and shall not be commingled with the funds of such commission merchants or be used to margin or guarantee the trades or contracts, or to secure or extend the credit, of any customer or person other than the one for whom the same are held: *Provided, however,* That such money, securities, and property of the customers of such futures commission merchant may, for convenience, be commingled and deposited in the same account or accounts with any bank or trust company or with the clearing house organization of such contract market, and that such share thereof as in the normal course of business shall be necessary to margin, guarantee, secure, transfer, adjust, or settle the contracts or trades of such customers, or resulting market positions, with the clearing-house organization of such contract market or with any member of such contract market, may be withdrawn and applied to such purposes, including the payment of commissions, brokerage, interest, taxes, storage, and other charges, lawfully accruing in connection with such contracts and trades: *Provided further,* That such money may be invested in obligations of the United States, in general obligations of any State or of any political subdivision thereof, in obligations fully guaranteed as to principal and interest by the United States, and in "investment securities" as defined in and under authority of section 24 of Title 12 and, subject to approval by the Secretary of Agriculture, may be loaned on the security of negotiable warehouse receipts conveying or securing title to readily marketable commodities to the extent of the current loan value of such receipts, such investments and loans to be made in accordance with such rules and regulations and subject to such conditions as the Secretary of Agriculture may prescribe. (Sept. 21, 1922, ch. 369, § 4d, as added June 15, 1936, ch. 545, § 5, 49 Stat. 1494.)

EFFECTIVE DATE

See note under section 1 of this title.

§ 6e. Floor brokers; dealings by unregistered broker prohibited.—It shall be unlawful for any person to act as floor broker in executing any orders for the purchase or sale of any commodity for future delivery, or involving any contracts of sale of any commodity for future delivery, on or subject to the rules of any contract market unless such person shall have registered, under this chapter, with the Secretary of Agriculture as such floor broker and such registration shall not have expired nor been suspended nor revoked. (Sept. 21, 1922, ch. 369, § 4e, as added June 15, 1936, ch. 545, § 5, 49 Stat. 1495.)

EFFECTIVE DATE

See note under section 1 of this title.

§ 6f. Registration of commission merchants and brokers; posting registration.—(1) Any person desiring to register as futures commission merchant or as floor broker hereunder shall be registered upon application to the Secretary of Agriculture, which application shall be made in form and manner to be prescribed by the Secretary of Agriculture, giving such information and facts as the Secretary of Agriculture may deem necessary concerning the business in which the applicant is or will be engaged, including, in the case of applications of futures commission merchants, the names and addresses of the managers of all branch offices and of all correspondents and agents engaged in soliciting or accepting on behalf of such applicant any orders for the purchase or sale of any commodity for future delivery on or subject to the rules of any board of trade, and including also the names of its officers and partners, if a partnership, and of its officers, directors, and stockholders, as the Secretary of Agriculture may direct, if a corporation. Such person, when registered hereunder, shall likewise continue to report and furnish to the Secretary of Agriculture the above-mentioned information and such other information pertaining to his business as the Secretary of Agriculture may require. All registrations shall expire on the 31st day of December of the year for which issued, and shall be renewed upon application therefor unless the registration has been suspended (and the period of such suspension has not expired) or revoked after notice and hearing as prescribed in section 6g of this title.

(2) Any person registered as futures commission merchant hereunder shall post in a conspicuous place in each of the offices maintained by such person in the United States in which orders for the purchase or sale of any commodity for future delivery are solicited or accepted, the original or duplicate copy (issued by the Secretary of Agriculture) of such person's registration certificate as such futures commission merchant. (Sept. 21, 1922, ch. 369, § 4f, as added June 15, 1936, ch. 545, § 5, 49 Stat. 1495.)

EFFECTIVE DATE

See note under section 1 of this title.

§ 6g. Suspension or revocation of registration of commission merchant or broker.—If any person registered hereunder as fu-

tures commission merchant or floor broker shall violate any of the provisions of chapter, or any of the rules or regulations of the Secretary of Agriculture thereunder, or shall fail or refuse to make any report required by the Secretary of Agriculture regarding the transactions of such person, or the transactions of the customers thereof, in commodities for future delivery on any board of trade in the United States or elsewhere, or shall fail or refuse to keep the books and records pertaining to such transactions in the form and manner required by the Secretary of Agriculture, or shall fail or refuse to keep such books and records open to inspection by any representative of the United States Department of Agriculture or the United States Department of Justice, the registration of such person may be suspended or revoked after notice and hearing in accordance with the procedure and subject to the judicial review provided in sections 9 and 10 of this title. (Sept. 21, 1922, ch. 369, § 4g, as added June 15, 1936, ch. 545, § 5, 49 Stat. 1496.)

EFFECTIVE DATE

See note under section 1 of this title.

§ 6h. Dealing other than through member of contract market.—It shall be unlawful for any person—

(1) to conduct any office or place of business anywhere in the United States or its territories for the purpose of soliciting or accepting any orders for the purchase or sale of any commodity for future delivery, or for making or offering to make any contracts for the purchase or sale of any commodity for future delivery, or for conducting any dealings in commodities for future delivery, that are or may be used for

(A) hedging any transaction in interstate commerce in such commodity or the products or byproducts thereof, or

(B) determining the price basis of any such transaction in interstate commerce, or—

(C) delivering any such commodity sold, shipped, or received in interstate commerce for the fulfillment thereof, if such orders, contracts, or dealings are executed or consummated otherwise than by or through a member of a contract market; or

(2) falsely to represent such person to be a member of a contract market, or the representative or agent of such member, or to be a futures commission merchant registered under this chapter, or the agent of such registered futures commission merchant, in soliciting or handling any order or contract for the purchase or sale of any commodity in interstate commerce or for future delivery, or falsely to represent in connection with the handling of any such order or contract that the same is to be or has been executed on, or by or through any member of, any contract market. (Sept. 21, 1922, ch. 369, § 4h, as added June 15, 1936, ch. 545, § 5, 49 Stat. 1496.)

EFFECTIVE DATE

See note under section 1 of this title.

§ 6i. Reports of deals equal to or in excess of trading limits; books and records.—It shall be unlawful for any person to make

any contract for the purchase or sale of any commodity for future delivery on or subject to the rules of any contract market unless such person shall report or cause to be reported to the properly designated officer in accordance with the rules and regulations of the Secretary of Agriculture (1) whenever such person shall directly or indirectly make such contracts with respect to any commodity, or any future of such commodity, during any one day in an amount equal to or in excess of such amount as shall be fixed from time to time by the Secretary of Agriculture; and (2) whenever such person shall directly or indirectly have or obtain a long or short position in any commodity or in any future of such commodity, equal to or in excess of such amount as shall be fixed from time to time by the Secretary of Agriculture. Such person shall also keep books and records of transactions coming within the provisions of (1) and (2) hereof, which books and records shall show complete details concerning all such transactions, including the names and addresses of all persons having any interest therein, and shall be open at all times to inspection by any representative of the United States Department of Agriculture or the United States Department of Justice. (Sept. 21, 1922, ch. 369, § 4i, as added June 15, 1936, ch. 545, § 5, 49 Stat. 1496.)

EFFECTIVE DATE

See note under section 1 of this title.

7. Designation of board of trade as "contract market"; conditions and requirements.—The Secretary of Agriculture is hereby authorized and directed to designate any board of trade as a "contract market" when, and only when, such board of trade complies with and carries out the following conditions and requirements:

(a) When located at a terminal market where any cash commodity of the kind specified in the contracts of sale of commodities for future delivery to be executed on such board is sold in sufficient volumes and under such conditions as fairly to reflect the general value of the commodity and the differences in value between the various grades of such commodity, and where there is available to such board of trade, official inspection service approved by the Secretary of Agriculture for the purpose: *Provided*, That any board of trade not so located shall be designated as a "contract market" if such board of trade provides for the delivery of commodities on such contracts at a delivery point or points and upon terms and conditions approved by the Secretary of Agriculture.

(b) When the governing board thereof provides for the making and filing by the board or any member thereof, as the Secretary of Agriculture may direct, of reports in accordance with the rules and regulations, and in such manner and form and at such times as may be prescribed by the Secretary of Agriculture, showing the details and terms of all transactions entered into by the board or the members thereof either in cash transactions consummated at, on, or in a board of trade, or transactions for future delivery, and when such governing board provides, in accordance with such rules and regulations, for the keeping of a record by the

board or the members of the board of trade, as the Secretary of Agriculture may direct, showing the details and terms of all cash and future transactions entered into by them, consummated at, on, or in a board of trade, such record to be in permanent form, showing the parties to all such transactions, including the persons for whom made, any assignments or transfers thereof, with the parties thereto, and the manner in which said transactions are fulfilled, discharged, or terminated. Such record shall be required to be kept for a period of three years from the date thereof, or for a longer period if the Secretary of Agriculture shall so direct, and shall at all times be open to the inspection of any representative of the United States Department of Agriculture or United States Department of Justice.

(c) When the governing board thereof provides for the prevention of dissemination by the board or any member thereof of false or misleading or knowingly inaccurate reports concerning crop or market information or conditions that affect or tend to affect the price of any commodity in interstate commerce.

(d) When the governing board thereof provides for the prevention of manipulation of prices and the cornering of any commodity by the dealers or operators upon such board.

(e) When the governing board thereof does not exclude from membership in and all privileges on such board of trade any duly authorized representative of any lawfully formed and conducted cooperative association of producers having adequate financial responsibility which is engaged in any cash commodity business, if such association has complied, and agrees to comply, with such terms and conditions as are or may be imposed lawfully on other members of such board: *Provided*, That no rule of a contract market shall forbid or be construed to forbid the return on a patronage basis by such cooperative association to its bona fide members of moneys collected in excess of the expense of conducting the business of such association.

(f) When the governing board provides for making effective the final orders or decisions entered pursuant to the provisions of section 9 of this chapter. (Sept. 21, 1922, ch. 369, § 5, 42 Stat. 1000; June 15, 1936, ch. 545, §§ 2, 6, 49 Stat. 1491, 1497.)

EFFECTIVE DATE

See note under section 1 of this title.

§ 7a. Duties of contract markets.—Each contract market shall—

(1) **By-laws, rules, etc.; furnishing copies to Secretary.**—Promptly furnish the Secretary of Agriculture copies of all by-laws, rules, regulations, and resolutions made or issued by it or by the governing board thereof or any committee, and of all changes and proposed changes therein;

(2) **Access for inspection of books and records.**—Allow inspection at all times by any authorized representative of the United States Department of Agriculture or United States Department of Justice of the books, records, and all minutes and journals of proceedings of such contract market, its governing board and all committees, and of all subsidiaries and affiliates of such con-

tract market, which books, records, minutes, and journals of proceedings shall be kept for a period of three years from the date thereof, or for a longer period if the Secretary of Agriculture shall so direct;

(3) Books and records of warehouses; keeping and inspection.—Require the operators of warehouses in which or out of which any commodity is deliverable on any contract for future delivery made on or subject to the rules of such contract market, to make such reports, keep such records, and permit such warehouse visitation as the Secretary of Agriculture may prescribe. Such books and records shall be required to be kept for a period of three years from the date thereof, or for a longer period if the Secretary of Agriculture shall so direct, and such books, records and warehouses shall be open at all times to inspection by any representative of the United States Department of Agriculture or United States Department of Justice;

(4) Periods of delivery; provisions for.—When so directed by order of the Secretary of Agriculture, provide for a period, after trading in contracts of sale of any commodity for future delivery in a delivery month has ceased, during which contracts of sale of such commodity for future delivery in such month may be satisfied by the delivery of the actual cash commodity. Whenever, after due notice and opportunity for hearing, the Secretary of Agriculture finds that provision for such a period of delivery for any one or more commodities or markets would prevent or tend to prevent “squeezes” and market congestion endangering price stability, he shall, by order, require such period of delivery (which shall be not less than three nor more than ten business days) applicable to such commodities and markets as he finds will prevent or tend to prevent such “squeezes” and market congestion: *Provided, however,* That such order shall not apply to then existing contracts;

(5) Notice of date of intended delivery.—Require the party making delivery of any commodity on any contract of sale of such commodity for future delivery to furnish the party obligated under the contract to accept delivery, written notice of the date of delivery at least one business day prior to such date of delivery. Whenever, after due notice and opportunity for hearing, the Secretary of Agriculture finds that the giving of longer notice of delivery is necessary to prevent or diminish unfair practices in trading in any one or more commodities or markets, he shall by order require such longer notice of delivery (which shall be not more than ten business days) applicable to such commodities and markets as he finds will prevent or diminish such unfair practices: *Provided, however,* That such order shall not apply to then existing contracts;

(6) United States standards; conformity of grades to.—Require that all contracts of sale of any commodity for future delivery on such contract market shall provide for the delivery thereunder of commodities of grades conforming to United States standards, if such standards shall have been officially promulgated; and

(7) Warehouse receipts as satisfaction of futures contract.—Require that receipts issued under sections 241-273 of this title shall be accepted in satisfaction of any futures contract, made on or subject to the rules of such contract market, without discrimination and notwithstanding that the warehouseman issuing such receipts is not also licensed as a warehouseman under the laws of any State or enjoys other or different privileges than under State law: *Provided, however,* That such receipts shall be for the kind, quality, and quantity of commodity specified in such contract and that the warehouse in which the commodity is stored meets such reasonable requirements as may be imposed by such contract market on other warehouses as to location, accessibility, and suitability for warehousing and delivery purposes. (Sept. 21, 1922, ch. 369, § 5a, as added June 15, 1936, ch. 545, § 7, 49 Stat. 1497.)

EFFECTIVE DATE

See note under section 1 of this title.

§ 7b. Suspension or revocation of designation as "contract market."—The failure or refusal of any board of trade to comply with any of the provisions of this chapter, or any of the rules and regulations of the Secretary of Agriculture thereunder, shall be cause for suspending for a period not to exceed six months or revoking the designation of such board of trade as a "contract market" in accordance with the procedure and subject to the judicial review provided in section 8 of this title. (Sept. 21, 1922, ch. 369, § 5b, as added June 15, 1936, ch. 545, § 7, 49 Stat. 1498.)

EFFECTIVE DATE

See note under section 1 of this title.

§ 8. Application for designation as "contract market"; suspension or revocation of designation; composition of commission; review by circuit court of appeals.—Any board of trade desiring to be designated a "contract market" shall make application to the Secretary of Agriculture for such designation and accompany the same with a showing that it complies with the above conditions, and with a sufficient assurance that it will continue to comply with the above requirements.

A commission composed of the Secretary of Agriculture, the Secretary of Commerce, and the Attorney General is authorized to suspend for a period not to exceed six months or to revoke the designation of any board of trade as a "contract market" upon a showing that such board of trade has failed or is failing to comply with any of the above requirements or is not enforcing its rules of government made a condition of its designation as set forth in section 7 of this chapter. Such suspension or revocation shall only be after a notice to the officers of the board of trade affected and upon a hearing: *Provided,* That such suspension or revocation shall be final and conclusive unless within fifteen days after such suspension or revocation by the said commission such board of trade appeals to the circuit court of appeals for the circuit in which it has its principal place of business by filing with the clerk of such court a written petition praying that the

order of the said commission be set aside or modified in the manner stated in the petition, together with a bond in such sum as the court may determine, conditioned that such board of trade will pay the costs of the proceedings if the court so directs. The clerk of the court in which such a petition is filed shall immediately cause a copy thereof to be delivered to the Secretary of Agriculture, chairman of said commission, or any member thereof, and the said commission shall forthwith prepare, certify, and file in the court a full and accurate transcript of the record in such proceedings, including the notice to the board of trade, a copy of the charges, the evidence, and the report and order. The testimony and evidence taken or submitted before the said commission duly certified and filed as aforesaid as a part of the record shall be considered by the court as the evidence in the case. The proceedings in such cases in the circuit court of appeals shall be made a preferred cause and shall be expedited in every way. Such a court may affirm or set aside the order of the said commission or may direct it to modify its order. No such order of the said commission shall be modified or set aside by the circuit court of appeals unless it is shown by the board of trade that the order is unsupported by the weight of the evidence or was issued with due notice and a reasonable opportunity having been afforded to such board of trade for a hearing, or infringes the Constitution of the United States, or is beyond the jurisdiction of said commission: *Provided further*, That if the Secretary of Agriculture shall refuse to designate as a contract market any board of trade that has made application therefor, then such board of trade may appeal from such refusal to the commission described therein, consisting of the Secretary of Agriculture, the Secretary of Commerce, and the Attorney general of the United States, with the right to appeal as provided for in other cases in this section, the decision on such appeal to be final and binding on all parties interested. (Sept. 21, 1922, ch. 369, § 6 (a), 42 Stat. 1001.)

§ 9. Exclusion of persons from privilege of "contract markets"; procedure for exclusion; review by circuit court of appeals.—If the Secretary of Agriculture has reason to believe that any person (other than a contract market) is violating or has violated any of the provisions of this chapter, or any of the rules and regulations made pursuant to its requirements, or has manipulated or is attempting to manipulate the market price of any commodity, in interstate commerce, or for future delivery on or subject to the rules of any board of trade, he may serve upon such person a complaint stating his charges in that respect, to which complaint shall be attached or contained therein a notice of hearing, specifying a day and place not less than three days after the service thereof, requiring such person to show cause why an order should not be made directing that all contract markets until further notice of the Secretary of Agriculture refuse all trading privileges to such person, and to show cause why the registration of such person, if registered as futures commission merchant or as floor broker hereunder, should not be suspended or revoked. Said hearing may be held in Washington,

District of Columbia, or elsewhere, before the Secretary of Agriculture, or before a referee designated by the Secretary of Agriculture, which referee shall cause all evidence to be reduced to writing and forthwith transmit the same to the Secretary of Agriculture. Upon evidence received, the Secretary of Agriculture may require all contract markets to refuse such person all trading privileges thereon for such period as may be specified in the order, and, if such person is registered as futures commission merchant or as floor broker hereunder, may suspend, for a period not to exceed six months, or revoke, the registration of such person. Notice of such order shall be sent forthwith by registered mail or delivered to the offending persons and to the governing boards of said contract markets.

After the issuance of the order by the Secretary of Agriculture, as aforesaid, the person against whom it is issued may obtain a review of such order or such other equitable relief as to the court may seem just by filing in the United States circuit court of appeals of the circuit in which the petitioner is doing business a written petition praying that the order of the Secretary of Agriculture be set aside. A copy of such petition shall be forthwith served upon the Secretary of Agriculture by delivering such copy to him, and thereupon the Secretary of Agriculture shall forthwith certify and file in the court a transcript of the record theretofore made, including evidence received. Upon the filing of the transcript the court shall have jurisdiction to affirm, to set aside, or modify the order of the Secretary of Agriculture, and the findings of the Secretary of Agriculture as to the facts, if supported by the weight of evidence, shall in like manner be conclusive. (Sept. 21, 1922, ch. 369, § 6 (b), 42 Stat. 1001; June 15, 1936, ch. 545, §§ (a)-(d), (h)-(j), 49 Stat. 1498, 1499.)

EFFECTIVE DATE

See note under section 1 of this title.

§ 10. Review by Supreme Court on certiorari.—In proceedings under section 8 and 9 of this title the judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari, as provided in section 347 of Title 28, as amended. (Sept. 21, 1922, ch. 363, § 6 (b), 42 Stat. 1001; June 15, 1936, ch. 545, § 8 (k), 49 Stat. 1499.)

EFFECTIVE DATE

See note under section 1 of this title.

§ 10a. Cooperative associations and corporations, exclusion from board of trade; rules of board inapplicable to payment of compensation by association.—(1) No board of trade which has been designated as a "contract market" shall exclude from membership in, and all privileges on, such board of trade, any association or corporation engaged in cash commodity business having adequate financial responsibility which is organized under the cooperative laws of any State, or which has been recognized as a co-operative association of producers by the United States Government or by any agency thereof, if such association or corporation complies and agrees to comply with such terms and condi-

tions as are or may be imposed lawfully upon other members of such board, and as are or may be imposed lawfully upon a cooperative association of producers engaged in cash commodity business, unless such board of trade is authorized by the commission to exclude such association or corporation from membership and privileges after hearing held upon at least three days' notice subsequent to the filing of complaint by the board of trade: *Provided, however,* That if any such association or corporation shall fail to meet its obligations with any established clearing house or clearing agency of any contract market, such association or corporation shall be ipso facto debarred from further trading on such contract market, except such trading as may be necessary to close open trades and to discharge existing contracts in accordance with the rules of such contract market applicable in such cases. Such commission may prescribe that such association or corporation shall have and retain membership and privileges, with or without imposing conditions, or it may permit such board of trade immediately to bar such association or corporation from membership and privileges. Any order of said commission entered hereunder shall be reviewable by the circuit court of appeals for the circuit in which such association or corporation, or such board of trade, has its principal place of business, on written petition either of such association or corporation, or of such board of trade, under the procedure provided in section 8 of this title, but such order shall not be stayed by the court pending review.

(2) No rule of any board of trade designated as a contract market shall forbid or be construed to forbid the payment of compensation on a commodity-unit basis, or otherwise, by any federated cooperative association to its regional member-associations for services rendered or to be rendered in connection with any organization work, educational activity, or procurement of patronage, provided no part of any such compensation is returned to patrons (whether members or nonmembers) of such cooperative association, or of its regional or local member-associations, otherwise than as a dividend on capital stock or as a patronage dividend out of the net earnings or surplus of such federated cooperative association. (Sept. 21, 1922, ch. 369, § 6a, as added June 15, 1936, ch. 545, § 9, 49 Stat. 1499.)

EFFECTIVE DATE

See note under section 1 of this title.

§ 11. Vacation on request of designation as "contract market"; redesignation.—Any board of trade that has been designated a contract market in the manner provided in this chapter may have such designation vacated and set aside by giving notice in writing to the Secretary of Agriculture requesting that its designation as a contract market be vacated, which notice shall be served at least ninety days prior to the date named therein as the date when the vacation of designation shall take effect. Upon receipt of such notice the Secretary of Agriculture shall forthwith order the vacation of the designation of such board of trade as a contract market, effective upon the day named in the notice, and

shall forthwith send a copy of the notice and his order to all other contract markets. From and after the date upon which the vacation became effective the said board of trade can thereafter be designated again a contract market by making applications to the Secretary of Agriculture in the manner in this chapter provided for an original application. (Sept. 21, 1922, ch. 369, § 7, 42 Stat. 1002.)

§ 12. Investigations and reports by Secretary, generally.—For the efficient execution of the provisions of this chapter, and in order to provide information for the use of Congress, the Secretary of Agriculture may make such investigations as he may deem necessary to ascertain the facts regarding the operations of boards of trade, whether prior or subsequent to the enactment of this chapter, and may publish from time to time, in his discretion, the result of such investigation and such statistical information gathered therefrom as he may deem of interest to the public, except data and information which would separately disclose the business transactions of any person and trade secrets or names of customers: *Provided*, That nothing in this section shall be construed to prohibit the Secretary of Agriculture from making or issuing such reports as he may deem necessary relative to the conduct of any board of trade or of the transactions of any person found guilty of violating the provisions of this chapter under the proceedings prescribed in sections 8-10, 15 of this title: *Provided further*, That the Secretary of Agriculture in any report may include the facts as to any actual transaction. The Secretary of Agriculture, upon his own initiative or in cooperation with existing governmental agencies, shall investigate marketing conditions of commodities and commodity products and byproducts, including supply and demand for these commodities, cost to the consumer, and handling and transportation charges. He shall likewise compile and furnish to producers, consumers, and distributors, by means of regular or special reports, or by such methods as he may deem most effective, information respecting the commodity markets, together with information on supply, demand, prices, and other conditions in this and other countries that affect the markets. (Sept. 21, 1922, ch. 369, § 8, 42 Stat. 1003; June 15, 1936, ch. 545, § 2, 49 Stat. 1491.)

EFFECTIVE DATE

See note under section 1 of this title.

§ 12a. Registration of commission merchants and brokers; fees; rules and regulations; publication of harmful acts.—The Secretary of Agriculture is authorized—

(1) to register futures commission merchants and floor brokers upon application in accordance with rules and regulations and in form and manner to be prescribed by the Secretary of Agriculture; and

(2) to refuse to register any person if such person has violated any of the provisions of this chapter or any of the rules or regulations promulgated by the Secretary of Agriculture hereunder for which the registration of such person has been su-

spended (and the period of such suspension shall not have expired) or has been revoked; and

(3) to suspend or revoke the registration of any futures commission merchant who shall knowingly accept any order for the purchase or sale of any commodity for future delivery on or subject to the rules of any contract market from any person if such person has been denied trading privileges on any contract market by order of the Secretary of Agriculture under the provisions of section 9 of this title and the period of denial specified in such order shall not have expired; and

(4) to fix and establish from time to time fees and charges for registrations and renewals thereof and for copies of registration certificates, not to exceed \$10 for each such registration, renewal, or copy; and

(5) to make and promulgate such rules and regulations as in, the judgment of the Secretary of Agriculture, are reasonably necessary to effectuate any of the provisions or to accomplish any of the purposes of this chapter; and

(6) to communicate to the proper committee or officer of any contract market and to publish, notwithstanding the provisions of section 12 of this title, the full facts concerning any transaction or market operation, including the names of parties thereto, which in the judgment of the Secretary of Agriculture disrupts or tends to disrupt any market or is otherwise harmful or against the best interests of producers and consumers. (Sept. 21, 1922, ch. 369, § 8a, as added June 15, 1936, ch. 545, § 10, 49 Stat. 1500.)

EFFECTIVE DATE

See note under section 1 of this title.

§ 13. Violations generally; false reports; punishment.—Any person who shall violate the provisions of section 6, section 6a, section 6b, section 6c, section 6d, section 6e, section 6h, or section 6i of this title, or who shall manipulate or attempt to manipulate the price of any commodity in interstate commerce, or for future delivery on or subject to the rules of any board of trade, or who shall corner or attempt to corner any such commodity, or who shall fail to evidence any contract mentioned in section 6 of this title by a record in writing as therein required, or who shall knowingly or carelessly deliver or cause to be delivered for transmission through the mails or in interstate commerce by telegraph, telephone, wireless, or other means of communication false or misleading or knowingly inaccurate reports concerning crop or market information or conditions that affect or tend to affect the price of any commodity in interstate commerce, shall be deemed guilty of a misdemeanor, and upon conviction thereof be fined not more than \$10,000 or imprisoned for not more than one year; or both, together with the costs of prosecution. (Sept. 21, 1922, ch. 369, § 9, 42 Stat. 1003; June 15, 1936, ch. 545, §§ 2, 11, 49 Stat. 1491, 1501.)

EFFECTIVE DATE

See note under section 1 of this title.

§ 13a. Violations, orders to desist; penalty for refusal to obey order.—If any board of trade, or any director, officer, agent, or

employee of any board of trade is violating or has violated any of the provisions of this chapter or any of the rules or regulations of the Secretary of Agriculture thereunder, or any order issued by the commission pursuant to any provision of this chapter, the commission, in lieu of revoking the designation of such board of trade as a "contract market" may, upon notice and hearing and subject to appeal as in other cases provided for in section 8 of this title, make and enter an order directing that such board of trade, director, officer, agent, or employee shall cease and desist from such violation or violations, and if such board of trade, director, officer, agent, or employee, thereafter and after the lapse of the period allowed for appeal of such order or after the affirmance of such order, shall fail or refuse to obey or comply with such order, such board of trade, director, officer, agent, or employee shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not less than \$500 nor more than \$10,000 or imprisoned for not less than six months nor more than one year, or both. Each day during which such failure or refusal to obey such order continues shall be deemed a separate offense. (Sept. 21, 1922, ch. 369, § 6b, as added June 15, 1936, ch. 545, § 9, 49 Stat. 1500.)

EFFECTIVE DATE

See note under section 1 of this title.

§ 15. Provisions of Interstate Commerce Act made applicable.—For the purpose of securing effective enforcement of the provisions of this chapter, the provisions, including penalties, of sections 12, 46, 47, and 48 of Title 49, as amended and supplemented relating to the attendance and testimony of witnesses, the production of documentary evidence, and the immunity of witnesses, are made applicable to the power, jurisdiction, and authority of the Secretary of Agriculture, the said commission, and said referee in proceedings under this chapter, and to persons subject to its provisions. (Sept. 21, 1922, ch. 369, § 6 (b), 42 Stat. 1001; June 15, 1936, ch. 545, § 8 (e)-(g), 49 Stat. 1499.)

EFFECTIVE DATE

See note under section 1 of this title.

§ 16. Cooperation by Secretary with other agencies, Government, State, etc.; appointment, removal, and compensation of officers and agents; expenses; appropriation.—The Secretary of Agriculture may cooperate with any department or agency of the Government, any State, Territory, District, or possession, or department, agency, or political subdivision thereof, or any person; and shall have the power to appoint, remove, and fix the compensation of such officers and employees, not in conflict with existing law, and make such expenditures for rent outside the District of Columbia, printing, telegrams, telephones, law books, books of reference, periodicals, furniture, stationery, office equipment, travel, and other supplies and expenses as shall be necessary to the administration of this chapter in the District of Columbia and elsewhere; and there are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated.

such sums as may be necessary for such purposes. (Sept. 21, 1922, ch. 369, § 12, 42 Stat. 1003.)

§ 17. Effect of partial invalidity of chapter.—If any provision of this chapter or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the chapter and of the application of such provision to other persons and circumstances shall not be affected thereby. (Sept. 21, 1922, ch. 369, § 10, 42 Stat. 1003.)

§ 17a. Effect of partial invalidity.—If any provision of the act of June 15, 1936, ch. 545, 49 Stat. 1491, which amends this chapter, or the application thereof to any person or circumstances is held invalid, the provisions of the section of this chapter which is amended by such provision of said act shall apply to such person or circumstances. No proceeding shall be abated by reason of any amendment to this chapter made by said act but shall be disposed of pursuant to said act. (June 15, 1936, ch. 545, § 12, 49 Stat. 1501.)

EFFECTIVE DATE

See note under section 1 of this title.

Chapter 2.—COTTON STANDARDS ACT

§ 51. Short title of chapter.—This chapter shall be known by the short title of "United States Cotton Standards Act." (Mar. 4, 1923, ch. 288, § 1, 42 Stat. 1517.)

EFFECTIVE DATE

Section 14 of act March 4, 1923, cited to text, provided that the act should become effective on or after August 1, 1923.

§ 51a. Extension of classification facilities to cotton growers.—The Secretary of Agriculture is requested to extend to cotton growers facilities for the classification of cotton authorized in this chapter, with such supervision of licensed classifiers as he shall deem necessary under authority of chapter 14 of Title 26. (Mar. 4, 1933, ch. 284, § 1, 47 Stat. 1621.)

§ 51b. Licensing samplers; revocation and suspension of license.—Further to carry out the purposes of this chapter the Secretary of Agriculture is authorized to issue to any qualified person, upon presentation of satisfactory evidence of competency, a license to sample cotton. Any such license may be suspended or revoked by the Secretary of Agriculture whenever he is satisfied that such licensee is incompetent or has knowingly or carelessly sampled cotton improperly, or has violated any provision of said chapter or the regulations thereunder so far as the same may relate to him, or has used his license, or allowed it to be used, for any improper purpose. The Secretary of Agriculture may prescribe by regulation the conditions under which licenses may be issued hereunder, and may require any licensed sampler to give bond for the faithful performance of his duties and for the protection of persons affected thereby and may prescribe the conditions under which cotton shall be sampled by licensed samplers for the purpose of classification by officers of the Department of Agriculture, or by licensed cotton classifiers. (Mar. 4, 1933, ch. 284, § 47 Stat. 1621.)

§ 52. Use of nonofficial standards prohibited; sales by sample excepted.—It shall be unlawful (a) in or in connection with any transaction or shipment in commerce made after August 1, 1923, or (b) in any publication of a price or quotation determined in or in connection with any transaction or shipment in commerce after August 1, 1923, or (c) in any classification for the purposes of or in connection with a transaction or shipment in commerce after August 1, 1923, for any person to indicate for any cotton a grade or other class which is of or within the official cotton standards of the United States then in effect under this chapter by a name, description, or designation, or any system of names, description, or designation not used in said standards: *Provided*, That nothing herein shall prevent a transaction otherwise lawful by actual sample or on the basis of a private type which is used in good faith and not in evasion of or substitution for said standards. (Mar. 4, 1923, ch. 288, § 2, 42 Stat. 1517.)

EFFECTIVE DATE

See note under section 51 of this title.

§ 53. Licensing classifiers; revocation and suspension of license.—The Secretary of Agriculture may, upon presentation of satisfactory evidence of competency, issue to any person a license to grade or otherwise classify cotton and to certificate the grade or other class thereof in accordance with the official cotton standards of the United States. Any such license may be suspended or revoked by the Secretary of Agriculture whenever he is satisfied, after reasonable opportunity afforded to the licensee for a hearing, that such licensee is incompetent or has knowingly or carelessly classified cotton improperly, or has violated any provision of this chapter or the regulations thereunder so far as the same may relate to him, or has used his license or allowed it to be used for any improper purpose. Pending investigation the Secretary of Agriculture, whenever he deems necessary, may suspend a license temporary without a hearing. (Mar. 4, 1923, ch. 288, § 3, 42 Stat. 1517.)

EFFECTIVE DATE

See note under section 51 of this title.

§ 54. Classification by Department of Agriculture; certification thereof; effect of certificate; regulations for classification.—Any person who has custody of or a financial interest in any cotton may submit the same or samples thereof, drawn in accordance with the regulations of the Secretary of Agriculture, to such officer or officers of the Department of Agriculture as may be designated for the purpose pursuant to the regulations of the Secretary of Agriculture for a determination of the true classification of such cotton or samples, including the comparison thereof, if requested, with types or other samples submitted for the purpose. The final certificate of the Department of Agriculture showing such determination shall be binding on officers of the United States and shall be accepted in the courts of the United States as prima facie evidence of the true classification or comparison of such cotton or samples when involved in any

transaction or shipment in commerce. The Secretary of Agriculture shall fix rules and regulations for submitting samples of cotton for classification providing that all samples shall be numbered so that no one interested in the transaction involved shall be known by any classifier engaged in the classification of such cotton samples. (Mar. 4, 1923, ch. 288, § 4, 42 Stat. 1517.)

EFFECTIVE DATE

See note under section 51 of this title.

§ 55. Charges for licenses and classifications; disposition of moneys.—The Secretary of Agriculture may cause to be collected such charges as he may find to be reasonable for licenses issued to classifiers of cotton under section 53 of this title and for determinations made under section 54 of this title, and the amounts so collected shall be used by the Secretary of Agriculture in paying expenses of the Department of Agriculture connected therewith. (Mar. 4, 1923, ch. 288, § 5, 42 Stat. 1518.)

EFFECTIVE DATE

See note under section 51 of this title.

Effective July 1, 1935, the appropriation account for expenses provided for in this chapter was abolished by act June 26, 1934, ch. 756, § 5, 48 Stat. 1228. See section 725d (b) of Title 31, Money and Finance.

§ 56. Establishment of cotton standards; furnishing copies of established standards sold.—The Secretary of Agriculture is authorized to establish from time to time standards for the classification of cotton by which its quality or value may be judged or determined for commercial purposes, which shall be known as the official cotton standards of the United States. Any such standard or change or replacement thereof shall become effective only on and after a date specified in the order of the Secretary of Agriculture establishing the same, which date shall be not less than one year after the date of such order: *Provided*, That the official cotton standards established, effective August 1, 1923, under the United States Cotton Futures Act, constituting chapter 14 of Title 26, shall be at the same time the official cotton standards for the purpose of this chapter unless and until changed or replaced under this chapter. Whenever any standard or change or replacement thereof shall become effective under this chapter, it shall also, when so specified in the order of the Secretary of Agriculture, become effective for the purposes of the United States Cotton Futures Act, constituting chapter 14 of Title 26, and supersede any inconsistent standard established under said chapter. Whenever the official cotton standards of the United States established under this chapter shall be represented by practical forms, the Department of Agriculture shall furnish copies thereof, upon request, to any person, and the cost thereof, as determined by the Secretary of Agriculture, shall be paid by the person making the request. The Secretary of Agriculture may cause such copies to be certified under the seal of the Department of Agriculture and may attach such conditions to the purchase and use thereof, including provision for the inspection, condemnation, and exchange thereof by duly authorizing repre-

sentatives of the Department of Agriculture, as he may find to be necessary to the proper application of the official cotton standards of the United States. (Mar. 4, 1923, ch. 288, § 6, 42 Stat. 1518.)

EFFECTIVE DATE

See note under section 51 of this title.

§ 57. Disposition of proceeds of sale of cotton and of copies of standards.—Any moneys received from or in connection with the sale of cotton purchased for the preparation of the copies, mentioned in section 56 of this title and condemned as unsuitable for such use or with the sale of such copies may be expended for the purchase of other cotton for such use. (Mar. 4, 1923, ch. 288, § 6, 42 Stat. 1518.)

EFFECTIVE DATE

See note under section 51 of this title.

§ 57a. Agreements with cotton associations, etc., in foreign countries to establish cotton standards.—The Secretary of Agriculture is authorized to effectuate agreements with cotton associations, cotton exchanges, and other cotton organizations in foreign countries, for (1) the adoption, use, and observance of universal standards of cotton classification, (2) the arbitration or settlement of disputes with respect thereto, and (3) the preparation, distribution, inspection, and protection of the practical forms or copies thereof under such agreements. (Mar. 4, 1923, ch. 288, § 6 (b), as added Sept. 21, 1944, ch. 412, title IV, § 401 (b), 58 Stat. 738.)

CODIFICATION

Section was enacted as subsec. (b) of section 6 of act Mar. 4, 1923, cited to text, by act Sept. 21, 1944, cited to text.

Said act Sept. 21, 1944, was the Department of Agriculture Organic Act of 1944.

§ 58. General inspection and sampling of cotton.—In order to carry out the provisions of this chapter, the Secretary of Agriculture is authorized to cause the inspection, including the sampling, of any cotton involved in any transaction or shipment in commerce, wherever such cotton may be found, or of any cotton with respect to which a determination of the true classification is requested under section 54 of this title. (Mar. 4, 1923, ch. 288, § 7, 42 Stat. 1518.)

EFFECTIVE DATE

See note under section 51 of this title.

§ 59. Offenses in relation to cotton standards.—It shall be unlawful for any person (a) with intent to deceive or defraud, to make, receive, use, or have in his possession any simulate or counterfeit practical form or copy of any standard or part thereof established under this chapter; or (b) without the written authority of the Secretary of Agriculture, to make, alter, tamper with, or in any respect change any practical form or copy of any standard established under this chapter; or (c) to display or use any such practical form or copy after the Secretary of Agriculture shall have caused it to be condemned. (Mar. 4, 1923, ch. 288, § 8, 42 Stat. 1519.)

EFFECTIVE DATE

See note under section 51 of this title.

§ 60. Penalties for violations.—(a) Any person who shall knowingly violate any provision of sections 52 or 59 of this title, or (b) any person licensed under this chapter who, for the purposes of or in connection with any transaction or shipment in commerce, shall knowingly classify cotton improperly, or shall knowingly falsify or forge any certificate of classification, or shall accept money or other consideration, either directly or indirectly, for any neglect or improper performance of duty as such licensee, or (c) any person who shall knowingly influence improperly or attempt to influence improperly any person licensed under this chapter in the performance of his duties as such licensee relating to any transaction or shipment in commerce, or (d) any person who shall forcibly assault, resist, impede, or interfere with or influence improperly or attempt to influence improperly any person employed under this chapter in the performance of his duties, shall, upon conviction thereof, be deemed guilty of a misdemeanor and shall be fined not exceeding \$1,000, or imprisoned not exceeding six months, or both, in the discretion of the court. (Mar. 4, 1923, ch. 288, § 9, 42 Stat. 1519.)

EFFECTIVE DATE

See note under section 51 of this title.

§ 61. General regulations, investigations, tests, etc., by Secretary.—For the purposes of this chapter the Secretary of Agriculture shall cause to be promulgated such regulations, may cause such investigations, tests, demonstrations, and publications to be made, including the investigation and determination of some practical method whereby repeated and unnecessary sampling and classification of cotton may be avoided, and may cooperate with any department or agency of the Government, any State Territory, District, or possession, or department, agency, or political subdivision thereof, or any person, as he shall find to be necessary. (Mar. 4, 1923, ch. 288, § 19, 42 Stat. 1519.)

EFFECTIVE DATE

See note under section 51 of this title.

§ 62. Definitions; “person”; “commerce”; “cotton.”—Wherever used in this chapter, (a) the word “person” imports the plural or the singular, as the case demands, and includes an individual, a partnership, a corporation, or two or more persons having a joint or common interest; (b) the word “commerce” means commerce between any State or the District of Columbia and any place outside thereof, or between points within the same State or the District of Columbia but through any place outside thereof, or within the District of Columbia; and (c) the word “cotton” means cotton of any variety produced within the continental United States, including linters. (Mar. 4, 1923, ch. 288, § 11, 42 Stat. 1519.)

EFFECTIVE DATE

See note under section 51 of this title.

§ 63. Liability of principal for act of agent.—When construing and enforcing the provisions of this chapter, the act, omission, or failure of any agent, officer, or other person acting for or employed by any person within the scope of his employment or office, shall in every case be deemed also the act, omission, or failure of such person as well as that of such agent, officer, or other person. (Mar. 4, 1923, ch. 288, § 11, 42 Stat. 1519.)

EFFECTIVE DATE

See note under section 51 of this title.

§ 64. Appropriation for expenses; appointments by Secretary of officers and agents; compensation.—There are hereby authorized to be appropriated out of the moneys in the Treasury not otherwise appropriated, such sums as may be necessary for carrying out the provisions of this chapter; and the Secretary of Agriculture is authorized, within the limits of such appropriations, to appoint, remove, and fix the compensations of such officers and employees, not in conflict with existing law, and make such expenditures for rent outside the District of Columbia, printing, telegrams, telephones, law books, books of reference, periodicals, furniture, stationery, office equipment, travel, and other supplies and expenses as shall be necessary to the administration of this chapter in the District of Columbia and elsewhere. (Mar. 4, 1923, ch. 288, § 12, 42 Stat. 1519.)

EFFECTIVE DATE

See note under section 51 of this title.

§ 65. Effect of partial invalidity.—If any provision of this chapter or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the chapter and the application of such provision to other persons and circumstances shall not be affected thereby. (Mar. 4, 1923, ch. 288, § 13, 42 Stat. 1520.)

EFFECTIVE DATE

See note under section 51 of this title.

Chapter 3.—GRAIN STANDARDS ACT

§ 71. Short title of chapter.—This chapter shall be known by the short title of the "United States Grain Standards Act." (Aug. 11, 1916, ch. 313, part B, § 1, 39 Stat. 482.)

§ 72. Definitions; "person"; "interstate or foreign commerce."—The word "person," whenever used in this chapter shall be construed to import the plural or singular, as the case demands, and shall include individuals, associations, partnerships, and corporations; the words "in interstate or foreign commerce," whenever used in this chapter, mean "from any State, Territory, or District to or through any other State, Territory, or District, or to or through any foreign country, or within any Territory or District." (Aug. 11, 1916, ch. 313, part B, § 1, 39 Stat. 482.)

§ 73. Liability of principal for act of agent.—When construing and enforcing the provisions of this chapter, the act, omission, or failure of any official, agent, or other person acting for or employed by any association, partnership, or corporation within the scope of his employment or office, shall, in every case, also be deemed the act, omission, or failure of such association, partnership, or corporation as well as that of the person. (Aug. 11, 1916, ch. 313, part B, § 1, 39 Stat. 482.)

§ 74. Establishment of grain standards by Secretary; promulgation.—The Secretary of Agriculture is hereby authorized to investigate the handling, grading and transportation of grain and to fix and establish standards of quality and condition for corn (maize) wheat, rye, oats, barley, flaxseed, soybeans, and such other grains as in his judgment the usages of the trade may warrant and permit, and the Secretary of Agriculture shall have power to alter or modify such standards whenever the necessities of the trade may require. In promulgating the standards, or any alteration or modification of such standards, the Secretary shall specify the date or dates when the same shall become effective, and shall give public notice, not less than ninety days in advance of such date or dates, by such means as he deems proper. (Aug. 11, 1916, ch. 313, part B, § 2, 39 Stat. 482; July 18, 1940, ch. 636, 54 Stat. 765.)

§ 75. Designation of official grain standards.—The standards fixed and established as authorized in section 74 of this title shall be known as the official grain standards of the United States. (Aug. 11, 1916, ch. 313, part B, § 3, 39 Stat. 483.)

§ 76. Compulsory use of official standards; exceptions; inspection and grading after shipment; appeal.—Whenever standards shall have been fixed and established under this chapter for any grain no person thereafter shall ship or deliver for shipment in interstate or foreign commerce any such grain which is sold, offered for sale, or consigned for sale by grade unless the grain shall have been inspected and graded by an inspector licensed under this chapter and the grade by which it is sold, offered for sale, or consigned for sale be one of the grades fixed therefor in the official grain standards of the United States: *Provided*, That any person may sell, offer for sale, or consign for sale, ship or deliver for shipment in interstate or foreign commerce any such grain by sample or by type, or under any name, description, or designation which is not false or misleading, and which name, description, or designation does not include in whole or in part the terms of any official grain standard of the United States: *Provided further*, That any such grain sold, offered for sale, or consigned for sale by grade may be shipped or delivered for shipment in interstate or foreign commerce without inspection at point of shipment by an inspector licensed under this chapter, to or through any place at which an inspector licensed under this chapter is located, subject to be inspected by a licensed inspector at the place to which shipped or at some convenient point through which shipped for inspection, which inspection shall be under such rules and regulations as the Secretary of Agriculture shall prescribe, and subject further to the right of

appeal from such inspection, as provided in section 78 of this title: *And provided further*, That any such grain sold, offered for sale, or consigned for sale by any of the grades fixed therefor in the official grain standards may, upon compliance with the rules and regulations prescribed by the Secretary of Agriculture, be shipped in interstate or foreign commerce without inspection from a place at which there is no inspector licensed under this chapter to a place at which there is no such inspector, subject to the right of either party to the transaction to refer any dispute as to the grade of the grain to the Secretary of Agriculture, who may determine the true grade thereof. No person shall in any certificate or in any contract or agreement of sale or agreement to sell by grade, either oral or written, involving, or in any invoice or bill of lading or other shipping document relating to, the shipment or delivery for shipment, in interstate or foreign commerce of any grain for which standards shall have been fixed and established under this chapter, describe, or in any way refer to, any of such grain as being of any grade other than a grade fixed therefor in the official grain standards of the United States. (Aug. 11, 1916, ch. 313, part B, § 4, 39 Stat. 483.)

§ 77. Misrepresentation respecting grade; reexamination by Secretary of inspected grain; hearing and publication of findings.—No person, except as permitted in section 76 of this title, shall represent that any grain shipped or delivered for shipment in interstate or foreign commerce is of a grade fixed in the official grain standards other than as shown by a certificate therefor issued in compliance with this chapter; and the Secretary of Agriculture is authorized to cause examinations to be made of any grain for which standards shall have been fixed and established under this chapter, and which has been certified to conform to any grade fixed therefor in such official grain standards, or which has been shipped or delivered for shipment in interstate or foreign commerce. Whenever, after opportunity for hearing is given to the owner or shipper of the grain involved, and to the inspector thereof if the same has been inspected, it is determined by the Secretary that any quantity of grain has been incorrectly certified to conform to a specified grade, or has been sold, offered for sale, or consigned for sale under any name, description, or designation which is false or misleading, he may publish his findings. (Aug. 11, 1916, ch. 313, part B, § 5, 39 Stat. 483.)

§ 78. Appeal to Secretary from official grading; fees for reinspection; conclusiveness of findings on appeal.—Whenever standards shall have been fixed and established under this chapter for any grain and any quantity of such grain sold, offered for sale, or consigned for sale, or which has been shipped, or delivered for shipment in interstate or foreign commerce shall have been inspected and a dispute arises as to whether the grade as determined by such inspection of any such grain in fact conforms to the standard of the specified grade, any interested party may, either with or without reinspection, appeal the question to the Secretary of Agriculture, and the Secretary of Agriculture is authorized to cause such investigation to be made and such tests

to be applied as he may deem necessary and to determine the true grade: *Provided*, That any appeal from such inspection and grading to the Secretary of Agriculture shall be taken before the grain leaves the place where the inspection appealed from was made and before the identity of the grain has been lost, under such rules and regulations as the Secretary of Agriculture shall prescribe. Whenever an appeal shall be taken or a dispute referred to the Secretary of Agriculture under this chapter, he shall charge and assess, and cause to be collected, a reasonable fee, in amount to be fixed by him, which fee, in case of an appeal, shall be refunded if the appeal is sustained. All such fees, not so refunded, shall be deposited and covered into the Treasury as miscellaneous receipts. The findings of the Secretary of Agriculture as to grade, signed by him or by such officer or officers, agent or agents, of the Department of Agriculture as he may designate, made after the parties in interest have had opportunity to be heard, shall be accepted in the courts of the United States as prima facie evidence of the true grade of the grain determined by him at the time and place specified in the findings. (Aug. 11, 1916, ch. 313, part B, § 6, 39 Stat. 484.)

§ 79. License to inspect and grade; State inspectors.—The Secretary of Agriculture may issue a license to any person, upon presentation to him of satisfactory evidence that such person is competent, to inspect and grade grain and to certificate the grade thereof for shipment or delivery for shipment in interstate or foreign commerce, under this chapter and the rules and regulations prescribed thereunder. No person authorized or employed by any State, county, city, town, board of trade, chamber of commerce, corporation, society, partnership, or association to inspect or grade grain shall certify, or otherwise state or indicate in writing, that any grain for shipment or delivery for shipment in interstate or foreign commerce, which has been inspected or graded by him, or by any person acting under his authority, is of one of the grades of the official grain standards of the United States, unless he holds an unsuspended and unrevoked license issued by the Secretary of Agriculture: *Provided*, That in any State which has, or which may hereafter have a State grain inspection department established by the laws of such State, the Secretary of Agriculture shall issue licenses to the persons duly authorized and employed to inspect and grade grain under the laws of such State. (Aug. 11, 1916, ch. 313, part B, § 7, 39 Stat. 484.)

§ 80. Revocation and suspension of license.—The Secretary of Agriculture may suspend or revoke any license issued by him under this chapter whenever, after opportunity for hearing has been given to the licensee, the Secretary shall determine that such licensee is incompetent or has knowingly or carelessly graded grain improperly or by any other standard than is authorized under this chapter, or has issued any false certificate of grade, or has accepted any money or other consideration, directly or indirectly, for any neglect or improper performance of duty, or has violated any provisions of this chapter or of the rules and regulations made thereunder. Pending investigation the

Secretary of Agriculture, whenever he deems necessary, may suspend a license temporarily without hearing. (Aug. 11, 1916, ch. 313, part B, § 7, 39 Stat. 484.)

§ 81. Disqualification to act as inspector or departmental agent.—No person licensed by the Secretary of Agriculture to inspect or grade grain or employed by him in carrying out any of the provisions of this chapter shall, during the term of such license or employment be interested, financially or otherwise, directly or indirectly, in any grain elevator or warehouse, or in the merchandising of grain, nor shall he be in the employment of any person or corporation owning or operating any grain elevator or warehouse. (Aug. 11, 1916, ch. 313, part B, § 7, 39 Stat. 484.)

§ 82. Records and reports by inspectors.—The Secretary of Agriculture shall require every inspector licensed under this chapter to keep complete and correct records of all grain graded and inspected by him and to make reports to the Secretary of Agriculture, in such forms and at such times as he may require, showing the place of inspection, the date of inspection, the name of the elevator or warehouse, if any, to which the grain was delivered or from which it was shipped, the kind of grain, the quantity of each kind, the grade thereof, and such other information as the Secretary of Agriculture may deem necessary. (Aug. 11, 1916, ch. 313, part B, § 7, 39 Stat. 484.)

§ 83. Semiannual reports by Secretary.—The Secretary of Agriculture, on each first Tuesday in January and each first Tuesday in July of each year shall make publication of a summary of such facts as are ascertained, showing in as great detail as possible all the facts, including a summary as to the amount and grade of grain delivered to any elevator or warehouse and the amount and grade of grain delivered from such elevator or warehouse, and the estimated amount received on sample or type by such elevator or warehouse, and the estimated amount delivered therefrom on sample or type. (Aug. 11, 1916, ch. 313, part B, § 7, 39 Stat. 484.)

§ 84. Adoption by Secretary of rules and regulations generally.—The Secretary of Agriculture shall, from time to time, make such rules and regulations as he may deem necessary for the efficient execution of the provisions of this chapter. (Aug. 11, 1916, ch. 313, part B, § 8, 39 Stat. 485.)

§ 85. Violations generally; punishment.—Any person who shall knowingly violate any of the provisions of sections 76 or 79-83 of this title, or any inspector licensed under this chapter who shall knowingly inspect or grade improperly any grain which has been shipped or delivered for shipment in interstate or foreign commerce, or shall knowingly give any false certificate of grade, or shall accept money or other consideration, directly or indirectly, for any neglect or improper performance of duty, and any person who shall improperly influence or attempt to improperly influence any such inspector in the performance of his duty, shall be guilty of a misdemeanor, and upon conviction thereof shall be fined not more than \$1,000, or be imprisoned

not more than one year, or both. (Aug. 11, 1916, ch. 313, part B, § 9, 39 Stat. 485.)

§ 86. Interference with execution of official duties; punishment.—Every person who forcibly assaults, resists, impedes, or interferes with any officer or employee of the United States Department of Agriculture in the execution of any duties authorized to be performed by this chapter or the rules and regulations made thereunder shall, upon conviction thereof, be fined not more than \$1,000, or be imprisoned not more than one year, or both. (Aug. 11, 1916, ch. 313, part B, § 10, 39 Stat. 485.)

§ 87. Effect of partial invalidity of chapter.—If any clause, sentence, paragraph, or part of this chapter shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered. (Aug. 11, 1916, ch. 313, part B, § 11, 39 Stat. 485.)

Chapter 4.—NAVAL STORES ACT

TRANSFER OF FUNCTIONS

The Food and Drug Administration in the Department of Agriculture and its functions, except those functions relating to the administration of the Naval Stores Act, sections 91-99 of this title, were transferred to the Federal Security Agency by Reorg. Plan No. IV, § 12, set out in notes to section 133t of Title 5, Executive Departments and Government Officers and Employees.

§ 91. Short title of chapter.—For convenience of reference, this chapter may be designated and cited as "The Naval Stores Act." (Mar. 3, 1923, ch. 217, § 1, 42 Stat. 1435.)

§ 92. Definitions.—When used in this chapter—

(a) "Naval stores" means spirits of turpentine and rosin.

(b) "Spirits of turpentine" includes gum spirits of turpentine and wood turpentine.

(c) "Gum spirits of turpentine" means spirits of turpentine made from gum (oleoresin) from a living tree.

(d) "Wood turpentine" includes steam distilled wood turpentine and destructively distilled wood turpentine.

(e) "Steam distilled turpentine" means wood turpentine distilled with steam from the oleoresin within or extracted from the wood.

(f) "Destructively distilled wood turpentine" means wood turpentine obtained in the destructive distillation of the wood.

(g) "Rosin" includes gum rosin and wood rosin.

(h) "Gum rosin" means rosin remaining after the distillation of gum spirits of turpentine.

(i) "Wood rosin" means rosin remaining after the distillation of steam distilled wood turpentine.

(j) "Package" means any container of naval stores, and includes barrel, tank, tank car, or other receptacle.

(k) "Person" includes partnerships, associations, and corporations, as well as individuals.

(l) The term "commerce" means commerce between any State, Territory, or possession, or the District of Columbia, and any

place outside thereof; or between points within the same State, Territory, or possession, or the District of Columbia, but through any place outside thereof; or within any Territory or possession or the District of Columbia. (Mar. 3, 1923, ch. 217, § 2, 42 Stat. 1435.)

§ 93. Establishment of official naval stores standards.—For the purposes of this chapter the kinds of spirits of turpentine defined in subdivisions (c), (e) and (f) of section 92 of this title and the rosin types, prepared, prior to March 3, 1923, and recommended under existing laws, by or under authority of the Secretary of Agriculture, are hereby made the standards for naval stores until otherwise prescribed as hereinafter provided. The Secretary of Agriculture is authorized to establish and promulgate standards for naval stores for which no standards are herein provided, after at least three months' notice of the proposed standard shall have been given to the trade, so far as practicable, and due hearings or reasonable opportunities to be heard shall have been afforded those favoring or opposing the same. No such standard shall become effective until after three months from the date of the promulgation thereof. Any standard made by this chapter or established and promulgated by the Secretary of Agriculture in accordance therewith may be modified by said Secretary whenever, for reasons and causes deemed by him sufficient, the interests of the trade shall so require, after at least six months' notice of the proposed modifications shall have been given to the trade, so far as practicable, and due hearings or reasonable opportunities to be heard shall have been afforded those favoring or opposing the same; and no such modifications so made shall become effective until after 6 months from the date when made.

The various grades of rosin, from highest to lowest, shall be designated, unless and until changed, as hereinbefore provided, by the following letters, respectively: X, WW, WG, N, M, K, I, H, G, F, E, D, and B, together with the designation "gum rosin" or "wood rosin", as the case may be.

The standards herein made and authorized to be made shall be known as the "Official Naval Stores Standards of the United States," and may be referred to by the abbreviated expression "United States Standards", and shall be the standards by which all naval stores in commerce shall be graded and described. (Mar. 3, 1923, ch. 217, § 3, 42 Stat. 1435.)

§ 94. Supplying duplicates of standards; examination, etc., of naval stores and certification thereof.—The Secretary of Agriculture shall provide, if practicable, any interested persons with duplicates of the official naval stores standards of the United States upon request accompanied by tender of satisfactory security for the return thereof, under such regulations as he may prescribe. The Secretary of Agriculture shall examine, if practicable, upon request of any interested person, any naval stores and shall analyze, classify, or grade the same on tender of the cost thereof as required by him, under such regulations as he may prescribe. He shall furnish a certificate showing the analysis, classification, or grade of such naval stores, which certificate

shall be prima facie evidence of the analysis, classification, or grade of such naval stores and of the contents of any package from which the same may have been taken, as well as of the correctness of such analysis, classification, or grade and shall be admissible as such in any court. (Mar. 3, 1923, ch. 217, § 4, 42 Stat. 1436.)

§ 95. Prohibition of acts deemed injurious to commerce in naval stores.—The following acts are hereby declared injurious to commerce in naval stores and are hereby prohibited and made unlawful:

(a) The sale in commerce of any naval stores, or of anything offered as such, except under or by reference to United States Standards.

(b) The sale of any naval stores under or by reference to United States standards which is other than what it is represented to be.

(c) The use in commerce of the word "turpentine" or the word "rosin," singly or with any other word or words, or of any compound, derivative, or imitation of either such word, or of any misleading word, or of any word, combination of words, letter, or combination of letters, provided herein or by the Secretary of Agriculture to be used to designate naval stores of any kind or grade, in selling, offering for sale, advertising, or shipping anything other than naval stores of the United States standards.

(d) The use in commerce of any false, misleading, or deceitful means or practice in the sale of naval stores or of anything offered as such. (Mar. 3, 1923, ch. 217, § 5, 42 Stat. 1436.)

§ 96. Punishment for violation of prohibition.—Any person willfully violating any provision of section 95 of this title shall, on conviction, be punished for each offense by a fine not exceeding \$5,000 or by imprisonment for not exceeding one year, or both. (Mar. 3, 1923, ch. 217, § 6, 42 Stat. 1436.)

§ 97. Purchase and analysis by Secretary of samples of spirits of turpentine to detect violations; reports to Department of Justice; publication of results of analysis, etc.—The Secretary of Agriculture is hereby authorized to purchase from time to time in open market samples of spirits of turpentine and of anything offered for sale as such for the purpose of analysis, classification, or grading and of detecting any violation of this chapter. He shall report to the Department of Justice for appropriate action any violation of this chapter coming to his knowledge. He is also authorized to publish from time to time results of any analysis, classification, or grading of spirits of turpentine and of anything offered for sale as such made by him under any provision of this chapter. (Mar. 3, 1923, ch. 217, § 7, 42 Stat. 1436.)

§ 98. Appropriation for and expenses in enforcement of chapter.—There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary for the administration and enforcement of this chapter, and within the limits of such sums the Secretary

of Agriculture is authorized to employ such persons and means and make such expenditures for printing, telegrams, telephones, books of reference, periodicals, furniture, stationery, office equipment, travel and supplies, and all other expenses as shall be necessary in the District of Columbia and elsewhere. (Mar. 3, 1923, ch. 217, § 8, 42 Stat. 1436.)

§ 99. Effect of partial invalidity of chapter.—If any provision of this chapter or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the chapter and of the application of such provision to other persons and circumstances shall not be affected thereby. (Mar. 3, 1923, ch. 217, § 9, 42 Stat. 1437.)

Chapter 5.—IMPORTATION OF ADULTERATED SEEDS ACT

§§ 111-116. Repealed. August 9, 1939, ch. 615, § 419, 53 Stat. 1290.

Sections, acts August 24, 1912, ch. 382, §§ 1-6, 44 Stat. 325; August 11, 1916, ch. 313, 39 Stat. 453; April 26, 1926, ch. 186, §§ 1, 2, 44 Stat. 325, were repealed by section 1609 of this title, effective on the one hundred and eightieth day after August 9, 1939; except that notices with respect to imported alfalfa and red clover seed promulgated by the Secretary of Agriculture under authority of these sections, which were in effect August 19, 1939, remained in full force and effect as if promulgated under sections 1551-1610 of this title.

Chapter 6.—INSECTICIDES ACT

INVESTIGATION

Insecticide and fungicide investigation was transferred from Bureau of Chemistry and Soils to Bureau of Entomology and Plant Quarantine. See act May 17, 1935, ch. 131, 49 Stat. 268.

TRANSFER OF FUNCTIONS

The Food and Drug Administration in the Department of Agriculture and its functions, except those functions relating to the administration of the Insecticide Act of 1910, sections 121-134 of this title, were transferred to the Federal Security Agency by Reorg. Plan No. IV, § 12, set out in notes to section 133t of Title 5, Executive Departments and Government Officers and Employees.

§ 121. Short title of chapter.—This chapter shall be known and referred to as "The Insecticide Act". (Apr. 26, 1910, ch. 191, § 13, 36 Stat. 335.)

§ 122. Definitions generally; "insecticide"; "Paris green"; "lead arsenate"; "fungicide."—The term "insecticide" as used in this chapter shall include any substance or mixture of substances intended to be used for preventing, destroying, repelling, or mitigating any insects which may infest vegetation, man or other animals, or households, or be present in any environment whatsoever. The term "Paris green" as used in this chapter shall include the product sold in commerce as Paris green and chemically known as the aceto-arsenite of copper. The term "lead arsenate" as used in this chapter shall include the product or products sold in commerce as lead arsenate and consisting chemically of products derived from arsenic acid (H_3AsO_4) by replacing one or more hydrogen atoms by lead. The term "fungicide" as used in this chapter shall include any substance or mixture of substances in-

tended to be used for preventing, destroying, repelling, or mitigating any and all fungi that may infest vegetation or be present in any environment whatsoever. (Apr. 26, 1910, ch. 191, § 6, 36 Stat. 332.)

§ 123. "Territory"; "person"; defined.—The term "Territory", as used in this chapter, shall include the Territory of Alaska and the insular possessions of the United States. The word "person", as used in this chapter, shall be construed to import both the plural and the singular, as the case demands, and shall include corporations, companies, societies, and associations. (Apr. 26, 1910, ch. 191, § 12, 36 Stat. 335; Aug. 24, 1912, ch. 387, § 1, 37 Stat. 512.)

§ 124. Liability of principal for act of agent.—When construing and enforcing the provisions of this chapter, the act, omission, or failure of any officer, agent, or other person acting for or employed by any corporation, company, society, or association, within the scope of his employment or office, shall in every case be also deemed to be the act, omission, or failure of such corporation, company, society, or association, as well as that of the other person. (Apr. 26, 1910, ch. 191, § 12, 36 Stat. 335.)

§ 125. Manufacture of adulterated or misbranded articles prohibited; punishment.—It shall be unlawful for any person to manufacture within any Territory or the District of Columbia any insecticide, Paris green, lead arsenate, or fungicide which is adulterated or misbranded within the meaning of this chapter; and any person who shall violate any of the provisions of this section shall be guilty of a misdemeanor, and shall, upon conviction thereof, be fined not to exceed \$200 for the first offense, and upon conviction for each subsequent offense be fined not to exceed \$300, or sentenced to imprisonment for not to exceed one year, or both such fine and imprisonment, in the discretion of the court. (Apr. 26, 1910, ch. 191, § 1, 36 Stat. 331.)

§ 126. Transportation or sale of adulterated or misbranded articles prohibited; punishment; exception; articles for export.—The introduction into any State or Territory or the District of Columbia from any other State or Territory or the District of Columbia, or from any foreign country, or shipment to any foreign country, of any insecticide, or Paris green, or lead arsenate, or fungicide which is adulterated or misbranded within the meaning of this chapter is hereby prohibited; and any person who shall ship or deliver for shipment from any State or Territory or the District of Columbia to any other State or Territory or the District of Columbia, or to a foreign country, or who shall receive in any State or Territory or the District of Columbia from any other State or Territory or the District of Columbia, or foreign country, and having so received, shall deliver, in original unbroken packages, for pay or otherwise, or offer to deliver, to any other person, any such article so adulterated or misbranded within the meaning of this chapter, or any person who shall sell or offer for sale in the District of Columbia or any Territory of the United States any such adulterated or misbranded insecticide, or Paris green, or lead arsenate, or fungicide, or export or offer to export

the same to any foreign country, shall be guilty of a misdemeanor, and for such offense be fined not exceeding \$200 for the first offense, and upon conviction for each subsequent offense not exceeding \$300, or be imprisoned not exceeding one year, or both, in the discretion of the court: *Provided*, That no article shall be deemed misbranded or adulterated within the provisions of this chapter when intended for export to any foreign country and prepared or packed according to the specifications or directions of the foreign purchaser; but if said articles shall be in fact sold or offered for sale for domestic use or consumption, then this proviso shall not exempt said article from the operation of any of the other provisions of this chapter. (Apr. 26, 1910, ch. 191, § 2, 36 Stat. 331.)

§ 127. General rules and regulations; collection and examination of specimens.—The Secretary of the Treasury, the Secretary of Agriculture, and the Secretary of Commerce shall make uniform rules and regulations for carrying out the provisions of this chapter, including the collection and examination of specimens of insecticides, Paris greens, lead arsenates, and fungicides manufactured or offered for sale in the District of Columbia or in any Territory of the United States, or which shall be offered for sale in unbroken packages in any State other than that in which they shall have been respectively manufactured or produced, or which shall be received from any foreign country or intended for shipment to any foreign country, or which may be submitted for examination by the director of the experiment station of any State, Territory or the District of Columbia (acting under the direction of the Secretary of Agriculture), or at any domestic or foreign port through which such product is offered for interstate commerce, or for export or import between the United States and any foreign port or country. (Apr. 26, 1910, ch. 191, § 3, 36 Stat. 331; Mar. 4, 1913, ch. 141, § 1, 37 Stat. 736.)

§ 128. Examinations of specimens; notice to interested party and hearing; certification to district attorney; publication.—The examination of specimens of insecticides, Paris greens, lead arsenates, and fungicides shall be made in the Food and Drug Administration or in such other branches of the Department of Agriculture as the Secretary of Agriculture may direct for the purpose of determining from such examination whether such articles are adulterated or misbranded within the meaning of this chapter; and if it shall appear from any such examination that any of such specimens are adulterated or misbranded within the meaning of this chapter, the Secretary of Agriculture shall cause notice thereof to be given to the party from whom such sample was obtained. Any party so notified shall be given an opportunity to be heard, under such rules and regulations as may be prescribed as aforesaid, and if it appears that any of the provisions of this chapter have been violated by such party, then the Secretary of Agriculture shall at once certify the facts to the proper United States district attorney, with a copy of the results of the analysis or the examination of such article duly authenticated by the analyst or officer making such examination, under the oath of such officer. After judgment of the court, notice shall be given

by publication in such manner as may be prescribed by the rules and regulations aforesaid. (Apr. 26, 1910, ch. 191, § 4, 36 Stat. 332; Jan. 18, 1927, ch. 39, 44 Stat. 1003.)

TRANSFER OF FUNCTIONS

The Food and Drug Administration, successor to the Food, Drug, and Insecticide Administration, and its functions except those relating to the administration of this chapter and §§ 91-99 of this title, were transferred from the Department of Agriculture to the Federal Security Agency by Reorganization Plan No. IV, § 12, 5 Fed. Reg. 2422, 54 Stat. 1237.

§ 128a. Examinations, by whom made.

Section, act January 18, 1927, ch. 39, 44 Stat. 1003, has been incorporated in § 128 of this title.

§ 129. **District attorney to prosecute violations.**—It shall be the duty of each district attorney to whom the Secretary of Agriculture shall report any violation of this chapter, or to whom any director of experiment station or agent of any State, Territory, or the District of Columbia, under authority of the Secretary of Agriculture, shall present satisfactory evidences of any such violation, to cause appropriate proceedings to be commenced and prosecuted in the proper courts of the United States, without delay, for the enforcement of the penalties as provided in this chapter. (Apr. 26, 1910, ch. 191, § 5, 36 Stat. 332.)

§ 130. **When articles deemed adulterated.**—For the purpose of this chapter an article shall be deemed to be adulterated.

Paris green.—In the case of Paris green: First, if it does not contain at least 50 per centum of arsenious oxide; second, if it contains arsenic in water-soluble forms equivalent to more than $3\frac{1}{2}$ per centum of arsenious oxide; third, if any substance has been mixed and packed with it so as to reduce or lower or injuriously affect its quality or strength.

Lead arsenate.—In the case of lead arsenate: First, if it contains more than 50 per centum of water; second, if it contains total arsenic equivalent to less than $12\frac{1}{2}$ per centum of arsenic oxid (As_2O_5); third, if it contains arsene in water-soluble forms equivalent to more than 0.75 per centum of arsenic oxid (As_2O_5); fourth, if any substances have been mixed and packed with it so as to reduce, lower, or injuriously affect its quality or strength: *Provided, however,* That extra water may be added to lead arsenate (as described in this paragraph) if the resulting mixture is labeled lead arsenate and water, the percentage of extra water being plainly and correctly stated on the label.

Other insecticides or fungicides.—In the case of insecticides or fungicides, other than Paris green and lead arsenate: First, if its strength or purity fall below the professed standard or quality under which it is sold; second, if any substance has been substituted wholly or in part for the article; third, if any valuable constituent of the article has been wholly or in part abstracted; fourth, if it is intended for use on vegetation and shall contain any substance or substances which, although preventing, destroying, repelling, or mitigating insects, shall be injurious to such vegetation when used. (Apr. 26, 1910, ch. 191, § 7, 36 Stat. 332.)

§ 131. When articles deemed "misbranded"; labels. — The term "misbranded" as used in this chapter shall apply to all insecticides, Paris greens, lead arsenates, or fungicides, or articles which enter into the composition of insecticides or fungicides, the package or label of which shall bear any statement, design, or device regarding such article or the ingredients or substances contained therein which shall be false or misleading in any particular, and to all insecticides, Paris greens, lead arsenates, or fungicides which are falsely branded as to the State, Territory, or country in which they are manufactured or produced.

For the purpose of this chapter an article shall be deemed to be misbranded—

Insecticides, Paris greens, lead arsenates, and fungicides; imitation of other article, or misleading label or brand.—In the case of insecticides, Paris greens, lead arsenates, and fungicides: First, if it be an imitation or offered for sale under the name of another article; second, if it be labeled or branded so as to deceive or mislead the purchaser, or if the contents of the package as originally put up shall have been removed in whole or in part and other contents shall have been placed in such package; third, if in package form, and the contents are stated in terms of weight or measure, they are not plainly and correctly stated on the outside of the package.

Insecticides (other than Paris greens and lead arsenates) and fungicides; statements on labels.—In the case of insecticides (other than Paris greens and lead arsenate) and fungicides: First, if it contains arsenic in any of its combinations or in the elemental form and the total amount of arsenic present (expressed as per centum of metallic arsenic) is not stated on the label; second, if it contains arsenic in any of its combinations or in the elemental form and the amount of arsenic in water-soluble forms (expressed as per centum of metallic arsenic) is not stated on the label; third, if it consists partially or completely of an inert substance or substances which do not prevent, destroy, repel, or mitigate insects or fungi and does not have the names and percentage amounts of each and every one of such inert ingredients plainly and correctly stated on the label: *Provided, however,* That in lieu of naming and stating the percentage amount of each and every inert ingredient the producer may at his discretion state plainly upon the label the correct names and percentage amounts of each and every ingredient of the insecticide or fungicide having insecticidal or fungicidal properties, and make no mention of the inert ingredients, except insofar as to state the total percentage of inert ingredients present. (Apr. 26, 1910, ch. 191, § 8, 36 Stat. 333.)

§ 132. Guaranty of wholesaler, etc., as protection to retailer; liability of guarantor.—No dealer shall be prosecuted under the provisions of this chapter when he can establish a guaranty signed by the wholesaler, jobber, manufacturer, or other party residing in the United States, from whom he purchased such articles, to the effect that the same is not adulterated or misbranded within the meaning of this chapter, designating it. Said guaranty, to afford protection, shall contain the name and address

of the party or parties making the sale of such articles to such dealer, and in such case said party or parties shall be amenable to the prosecution, fines, and other penalties which would attach in due course to the dealer under the provisions of this chapter. (Apr. 26, 1910, ch. 191, § 9, 36 Stat. 334.)

§ 133. Seizure and condemnation of adulterated or misbranded articles; disposition of articles or proceeds; procedure; jury trial.

—Any insecticide, Paris green, lead arsenate, or fungicide that is adulterated or misbranded within the meaning of this chapter and is being transported from one State, Territory, or District, to another for sale, or having been transported, remains unloaded, unsold, or in original unbroken packages, or if it be sold or offered for sale in the District of Columbia or any Territory of the United States, or if it be imported from a foreign country for sale, shall be liable to be proceeded against in any district court of the United States within the district wherein the same is found and seized for confiscation by a process of libel for condemnation. And if such article is condemned as being adulterated or misbranded, within the meaning of this chapter, the same shall be disposed of by destruction or sale as the said court may direct, and the proceeds thereof, if sold, less the legal costs and charges, shall be paid into the Treasury of the United States, but such goods shall not be sold in any jurisdiction contrary to the provisions of this chapter, or the laws of that jurisdiction: *Provided, however,* That upon the payment of the costs of such libel proceedings and the execution and delivery of a good and sufficient bond to the effect that such articles shall not be sold or otherwise disposed of contrary to the provisions of this chapter or the laws of any State, Territory, or District, the Court may by order direct that such articles be delivered to the owner thereof. The proceedings of such libel cases shall conform, as near as may be, to the proceedings in admiralty, except that either party may demand trial by jury of any issue of fact joined in any such case, and all such proceedings shall be at the suit of and in the name of the United States. (Apr. 26, 1910, ch. 191, § 10, 36 Stat. 334.)

§ 134. Importation of articles; examination of samples; exclusion if adulterated, etc.; destruction or exportation; provisional delivery to consignee; bond; charges and lien.—The Secretary of the Treasury shall deliver to the Secretary of Agriculture, upon his request, from time to time, samples of insecticides, Paris greens, lead arsenates, and fungicides which are being imported into the United States or offered for import, giving notice thereof to the owner or consignee, who may appear before the Secretary of Agriculture and have the right to introduce testimony; and if it appear from the examination of such samples that any insecticide, or Paris green, or lead arsenate, or fungicide offered to be imported into the United States is adulterated or misbranded within the meaning of this chapter, or is otherwise dangerous to the health of the people of the United States, or is of a kind forbidden entry into or forbidden to be sold or restricted in sale in the country in which it is made or from which it is exported, or is otherwise falsely labeled in any respect, the said article shall be refused admission, and the Secretary of the Treasury shall re-

fuse delivery to the consignee and shall cause the destruction of any goods refused delivery which shall not be exported by the consignee within three months from the date of notice of such refusal under such regulations as the Secretary of the Treasury may prescribe: *Provided*, That the Secretary of the Treasury may deliver to the consignee such goods pending examination and decision in the matter on execution of a penal bond for the amount of the full invoice value of such goods, together with the duty thereon, and on refusal to return such goods for any cause to the custody of the Secretary of the Treasury, when demanded, for the purpose of excluding them from the country, or for any other purpose, said consignee shall forfeit the full amount of the bond: *And provided further*, That all charges for storage, cartage, and labor on goods which are refused admission or delivery shall be paid by the owner or consignee, and in default of such payment shall constitute a lien against any future importation made by such owner or consignee. (Apr. 26, 1910, ch. 191, § 11, 36 Stat. 334.)

Chapter 7.—INSECT PESTS GENERALLY

MEDITERRANEAN FRUIT FLY INVESTIGATION BOARD

Act May 23, 1938, ch. 260, 52 Stat. 436, created a temporary board to investigate losses sustained by Florida farmers resulting from the campaign to eradicate the Mediterranean fruit fly. This board has now ceased to exist.

§ 141. Transportation or removal of insect pests prohibited.—No railroad, steamboat, express, stage, or other transportation company shall knowingly transport from one State or Territory into any other State or Territory, or from the District of Columbia into a State or Territory, or from a State or Territory into the District of Columbia, or from a foreign country into the United States, the gypsy moth, brown-tail moth, leopard moth, plum curculio, hop plant louse, boll weevil, or any of them in a live state, or other insect in a live state which is notoriously injurious to cultivated crops, including vegetables, field crops, bush fruits, orchard trees, forest trees, or shade trees; or the eggs, pupae, or larvae of any insect injurious as aforesaid, except when shipped for scientific purposes under the regulations hereinafter provided for; nor shall any person remove from one State or Territory into another State or Territory, or from a foreign country into the United States, or from a State or Territory into the District of Columbia, or from the District of Columbia into any State or Territory, except for scientific purposes under the regulations hereinafter provided for, the gypsy moth, brown-tail moth, leopard moth, plum curculio, hop plant louse, boll weevil, or any of them in a live state, or other insect in a live state which is notoriously injurious to cultivated crops, including vegetables, field crops, bush fruits, orchard trees, forest trees, or shade trees; or the eggs, pupae, or larvae of any insect injurious as aforesaid. (Mar. 3, 1905, ch. 1501, § 1, 33 Stat. 1269.)

§ 142. Mailing parcels, etc., containing insect pests; punishment.—Any letter, parcel, box, or other package containing the gypsy moth, brown-tail moth, leopard moth, plum curculio, hop plant louse, boll weevil, or any of them in a live state, or other insect

in a live state which is notoriously injurious to cultivated crops, including vegetables, field crops, bush fruits, orchard trees, forest trees, or shade trees; or any letter, parcel, box, or package which contains the eggs, pupae, or larvae of any insect injurious as aforesaid, whether sealed as first-class matter or not, is hereby declared to be nonmailable matter, except when mailed for scientific purposes under the regulations hereinafter provided for, and shall not be conveyed in the mails, nor delivered from any post office, nor by any letter carrier, except when mailed for scientific purposes under the regulations hereinafter provided for; and any person who shall knowingly deposit, or cause to be deposited, for mailing or delivery, anything declared by this section to be nonmailable matter, or cause the same to be taken from the mails for the purpose of retaining, circulating, or disposing of, or of aiding in the retention, circulation, or disposition of the same shall, for each and every offense, be fined, upon conviction thereof, not more than \$5,000 or imprisoned at hard labor not more than five years, or both, at the discretion of the court: *Provided*, That nothing in sections 141-144 of this title shall authorize any person to open any letter or sealed matter of the first class not addressed to himself. (Mar. 3, 1905, ch. 1501, § 2, 33 Stat. 1270.)

§ 143. Regulations for mailing, transportation, etc., for scientific purposes.—It shall be the duty of the Secretary of Agriculture, and he is hereby authorized and directed to prepare and promulgate rules and regulations under which the insects covered by sections 141 and 142 of this title may be mailed, shipped, transported, delivered, and removed, for scientific purposes, from one State or Territory into another State or Territory, or from the District of Columbia into a State or Territory, or from a State or Territory into the District of Columbia, and any insects covered by sections 141 and 142 of this title may be so mailed, shipped transported, delivered, and removed for scientific purposes, under the rules and regulations of the Secretary of Agriculture: *Provided*, That the rules and regulations of the Secretary of Agriculture, insofar as they affect the method of mailing insects, shall be approved by the Postmaster General, and nothing in sections 141-144 of this title shall be construed to prevent any State from making and enforcing laws in furtherance of the purposes of sections 141-144 of this title, prohibiting or regulating the admission into that State of insects from a foreign country. (Mar. 3, 1905, ch. 1501, § 3, 33 Stat. 1270.)

§ 144. Punishment for unlawful transportation or removal.—Any person, company, or corporation who shall knowingly violate the provisions of section 141 of this title shall, for each offense, be fined, upon conviction thereof, not more than \$5,000 or imprisoned at hard labor not more than five years, or both, at the discretion of the court. (Mar. 3, 1905, ch. 1501, § 4, 33 Stat. 1270.)

§ 145. Mexican pink bollworm; establishment of zones free from cotton culture; cooperation with Mexican officials.—On account of the menace to cotton culture in the United States arising from the existence of the pink bollworm in Mexico, the Secretary of Agriculture, in order to prevent the establishment and spread

of such worm in Texas and other parts of the United States, is authorized to make surveys to determine its actual distribution in Mexico; to establish, in cooperation with the States concerned, a zone or zones free from cotton culture on or near the border of any State or States adjacent to Mexico; and to cooperate with the Mexican Government or local Mexican authorities in the extermination of local infestations near the border of the United States. (Oct. 6, 1917, ch. 79, § 1, 40 Stat. 374.)

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§ 146. European corn borer; eradication or control.—To enable the Secretary of Agriculture to apply such methods of eradication or control of the European corn borer as in his judgment may be necessary, including the employment of persons and means in the District of Columbia and elsewhere and all other necessary expenses, the sum of \$10,000,000 is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to be expended in cooperation with such authorities of the States concerned, organizations, or individuals as the Secretary may deem necessary to accomplish such purposes: *Provided*, That in the discretion of the Secretary of Agriculture no expenditures shall be made hereunder until the States wherein the European corn borer exists shall have provided necessary regulatory legislation and until a sum or sums adequate to State cooperation shall have been appropriated, subscribed, or contributed by States, county, or local authorities or individuals or organizations: *Provided further*, That expenditures from this appropriation for any necessary farm clean-up incidental to such eradication or control shall include only such as are, in the judgment of the Secretary of Agriculture, additional to those normal and usual in farm operations: *Provided further*, That no part of this appropriation shall be used to pay the cost or value of corn or other farm crops or other property injured or destroyed: *And provided further*, That the Secretary of Agriculture may receive, and shall cover into the Treasury as miscellaneous receipts, any and all moneys authorized by the law of any State to be paid to the United States out of amounts assessed against and collected from any owner of premises who refuses or neglects to carry out State-control requirements, when such moneys represent expenditures made on such premises by the United States under the provisions of this section. (Feb. 9, 1927, ch. 90, 44 Stat. 1065.)

§ 147. Same; additional appropriation.—To enable the Secretary of Agriculture to apply such methods of eradication or control of the European corn borer over such area or areas as in his judgment may be necessary, including the employment of persons and means in the District of Columbia and elsewhere and all other necessary expenses, the sum of \$7,000,000 is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to be expended in cooperation with such authorities of the States concerned, organizations, or individuals as the Secretary may deem necessary to accomplish such purposes: *Provided*, That no part of the appropriation herein authorized shall be expended for the purchase of new machinery unless the Secretary of Agriculture deems such expenditure necessary by

reason of an emergency, and in such case an amount not to exceed 1 per centum may be so expended: *Provided further*, That an amount not to exceed 9 per centum of the appropriation herein authorized may be expended for the employment of persons and means in the District of Columbia and elsewhere and all other necessary expenses other than necessary expenses for farm clean-up incidental to such eradication or control: *Provided further*, That in the discretion of the Secretary of Agriculture no expenditure shall be made hereunder until the States wherein the European corn borer exists shall have provided necessary regulatory legislation and until a sum or sums adequate to State cooperation shall have been appropriated, subscribed, or contributed by States, county, or local authorities or individuals or organizations: *Provided further*, That expenditures from the appropriation herein authorized for any necessary farm clean-up incidental to such eradication or control shall include only such as are, in the judgment of the Secretary of Agriculture, additional to those normal and usual in farm operations, and shall not exceed 90 per centum: *Provided further*, That no part of the appropriation herein authorized shall be used to pay the cost or value of corn or other farm crops or other property injured or destroyed: *And provided further*, That the Secretary of Agriculture may receive, and shall cover into the Treasury as miscellaneous receipts, any and all moneys authorized by the law of any State to be paid to the United States out of amounts assessed against and collected from any owner of premises who refuses or neglects to carry out State-control requirements when such moneys represent expenditures made on such premises by the United States under the provisions of this section. (May 24, 1928, ch. 734, 45 Stat. 734.)

§ 147a. Control and eradication of pests and plant diseases; cooperation of States and farmers' associations; definition of State; rules and regulations; appropriations.—(a) The Secretary of Agriculture either independently or in cooperation with States or political subdivisions thereof, farmers' associations, and similar organizations, and individuals, is authorized to carry out operations or measures to eradicate, suppress, control, or to prevent or retard the spread of Japanese beetle, sweetpotato weevil, Mexican fruitflies, citrus canker, gypsy and brown-tail moth, Dutch elm disease, phony peach and peach mosaic, cereal rusts, corn borer, and pink bollworm and thurberia weevil: *Provided*, That the Secretary of Agriculture is further authorized to cooperate with the Government of Mexico or local Mexican authorities in carrying out necessary surveys and control operations in Mexico in connection with the eradication, suppression, control, and prevention or retardation of the spread of Mexican fruitflies, and pink bollworm and thurberia weevil. In performing the operations or measures herein authorized, the cooperating foreign country, State, or local agency shall be responsible for the authority necessary to carry out the operations or measures on all lands and properties within the foreign country or State other than those owned or controlled by the Federal Government and for such other facilities and means as in the discretion of the Secretary of Agriculture are necessary. As used in this section, the term "State" includes the District of

Columbia and the Territories and possessions of the United States.

(b) The Secretary of Agriculture is authorized and directed to promulgate such rules and regulations and use such means as he may deem necessary to provide for the inspection of domestic plants and plant products offered for export and to certify to shippers and interested parties as to the freedom of such products from injurious insect pests and plant diseases according to the sanitary requirements of the foreign countries to which such products may be exported.

(c) There are hereby authorized to be appropriated such sums as the Congress may from time to time determine to be necessary to enable the Secretary of Agriculture to carry out the provisions of this section. Unless otherwise specifically authorized, or provided for in appropriations, no part of such sums shall be used to pay the cost or value of property injured or destroyed. (Sept. 21, 1944, ch. 412, title I, § 102, 58 Stat. 735.)

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

§ 148. Control of insect pests and plant diseases.—The Secretary of Agriculture, in cooperation with authorities of the States concerned, organizations, or individuals, is authorized and directed to apply such methods for the control of incipient or emergency outbreaks of insect pests or plant diseases, including grasshoppers, Mormon crickets, and chinch bugs as may be necessary. (Apr. 6, 1937, ch. 69, 50 Stat. 57; May 9, 1938, ch. 192, 52 Stat. 344.)

CODIFICATION

Act April 6, 1937, cited to text, was originally enacted as one section. Act May 9, 1938, also cited to text, subdivided it into six sections. This section, which formerly contained the whole original act, now contains only section 1. Sections 2-6 are contained in sections 148a-148e of this title.

§ 148a. Same; general administration; personnel; field work, etc.—Any sums which may be appropriated for such purpose shall be available for expenditure for the employment of persons and means in the District of Columbia and elsewhere, printing, rent outside the District of Columbia, general administration and supervision, surveys, and the purchase, transportation, and application of poison bait or materials and equipment for control of insect pests or plant diseases, including grasshoppers, Mormon crickets, and chinch bugs, and for the preparation of such poison bait or materials for application, and such other expenses as may be necessary. (Apr. 6, 1937, ch. 69, § 2, as amended May 9, 1938, ch. 192, 52 Stat. 344.)

See note to section 148 of this title.

§ 148c. Control of insect pests and plant diseases; cooperation of States.—In the discretion of the Secretary of Agriculture, no part of any sums appropriated to carry out the purposes of sections 148-148e of this title shall be expended for the control of incipient or emergency outbreaks of insect pests or plant diseases in any State until the State concerned has provided the organization or materials and supplies necessary for cooperation with the

Federal Government. (Apr. 6, 1937, ch. 69, § 4, as amended May 9, 1938, ch. 192, 52 Stat. 344.)

See note to section 148 of this title.

§ 148d. Same; restrictions on appropriations.—No part of the sums hereinafter authorized to be appropriated shall be used to pay the cost or value of farm animals, farm crops, or other property injured or destroyed. (Apr. 6, 1937, ch. 69, § 5, as amended May 9, 1938, ch. 192, 52 Stat. 344.)

See note to section 148 of this title.

§ 148e. Same; appropriations.—There are hereby authorized to be appropriated annually such sums as may be necessary to carry out the provisions of sections 148-148e of this title. (Apr. 6, 1937, ch. 69, § 6, as amended May 9, 1938, ch. 192, 52 Stat. 344.)

See note to section 148 of this title.

TICK ERADICATION ON SEMINOLE RESERVATION IN FLORIDA

Act July 22, 1942, ch. 516, § 1, 56 Stat. 675, provided in part: "The Secretary of Agriculture, his agent or agents, in cooperation with the duly constituted authorities of the State of Florida, is authorized to conduct tick eradication on the Seminole Indian Reservation in the State of Florida under the provisions of the laws of that State."

§ 149. Regulation, cleaning, etc., vehicles and materials entering from Mexico; administration by Secretary; fees.—To prevent the introduction of insect pests and plant diseases the Secretary of Agriculture is authorized and directed to promulgate such rules and regulations as he may deem necessary to regulate the entry into the United States from Mexico of railways cars and other vehicles and freight, express, baggage, and other materials which may carry such pests and to provide for the inspection, cleaning, and, when necessary, disinfection of such vehicles and materials; to carry out the activities required to accomplish this purpose, the Secretary of Agriculture shall use such means as he may deem necessary, including construction and repair of buildings, plants, and equipment for fumigation and disinfection or cleaning of vehicles and materials; the cleaning and disinfection of vehicles or materials necessary to accomplish the purpose shall be carried out by and under the direction of authorized inspectors of the Department of Agriculture, and the Secretary of Agriculture shall make and collect such charge as will cover, as nearly as may be, the average cost of materials, facilities, and special labor used in performing such disinfection, and fees so collected shall be covered into the Treasury of the United States as miscellaneous receipts. (Jan. 31, 1942, ch. 31, 56 Stat. 40.)

DISPOSITION OF MONEYS

Department of Agriculture Appropriation Acts July 12, 1943, ch. 215, § 1, 57 Stat. 408; June 28, 1944, ch. 296, § 1, 58 Stat. 440, provided that any moneys received in payment of charges shall be covered into the Treasury as miscellaneous receipts.

Chapter 8.—NURSERY STOCK AND OTHER PLANTS AND
PLANT PRODUCTION

§ 151. "Person" defined.—The word "person" as used in sections 151-154, 156-165, 167 of this title shall be construed to import both the plural and the singular, as the case demands, and shall include corporations, companies, societies, and associations. (Aug. 20, 1912, ch. 308, § 11, 37 Stat. 319.)

§ 152. "Nursery stock" defined.—For the purpose of sections 151-154, 156-165, 167 for this title the term "nursery stock" shall include all field-grown florists' stock, trees, shrubs, vines, cuttings, grafts, scions, buds, fruit pits, and other seeds of fruit and ornamental trees or shrubs, and other plants and plant products for propagation, except field, vegetable, and flower seeds, bedding plants, and other herbaceous plants, bulbs, and roots. (Aug. 20, 1912, ch. 308, § 6, 37 Stat. 317.)

§ 153. Liability of principal for act of agent.—When construing and enforcing the provisions of sections 151-154, 156-165, 167 of this title, the act, omission, or failure of any officer, agent, or other person acting for or employed by any corporation, company, society, or association, within the scope of his employment or office, shall in every case be also deemed to be the act, omission, or failure of such corporation, company, society, or association as well as that of the person. (Aug. 20, 1912, ch. 308, § 11, 37 Stat. 319.)

§ 154. General restriction on importation of nursery stock; exceptions.—It shall be unlawful for any person to import or offer for entry into the United States any nursery stock unless and until a permit shall have been issued therefor by the Secretary of Agriculture, under such conditions and regulations as the said Secretary of Agriculture may prescribe, and unless such nursery stock shall be accompanied by a certificate of inspection, in manner and form as required by the Secretary of Agriculture, of the proper official of the country from which the importation is made, to the effect that the stock has been thoroughly inspected and is believed to be free from injurious plant diseases and insect pests: *Provided*, That the Secretary of Agriculture shall issue the permit for any particular importation of nursery stock when the conditions and regulations as prescribed in sections 151-154, 156-165, 167 of this title shall have been complied with: *Provided further*, That nursery stock may be imported for experimental or scientific purposes by the Department of Agriculture upon such conditions and under such regulations as the said Secretary of Agriculture may prescribe: *And provided further*, That nursery stock imported from countries where no official system of inspection for such stock is maintained may be admitted upon such conditions and under such regulations as the Secretary of Agriculture may prescribe. (Aug. 20, 1912, ch. 308, § 1, 37 Stat. 315.)

§ 155 Importation for scientific purposes permitted—Any class of nursery stock or of any other class of plants, fruits, vegetables, roots, bulbs, seeds, or other plant products of which the im-

portation may be forbidden from any country or locality under the provisions of section 160 of this title may be imported for experimental or scientific purposes by the Department of Agriculture upon such conditions and under such regulations as the said Secretary of Agriculture may prescribe. (Mar. 4, 1913, ch. 145, 37 Stat. 854.)

§ 156. Notification of arrival at port of entry; forwarding without notification forbidden; inspection before shipment.—It shall be the duty of the Secretary of the Treasury promptly to notify the Secretary of Agriculture of the arrival of any nursery stock at port of entry. The person receiving such stock at port of entry shall, immediately upon entry and before such stock is delivered for shipment or removed from the port of entry, advise the Secretary of Agriculture or, at his direction, the proper State, Territorial, or District official of the State or Territory or the District to which such nursery stock is destined, or both, as the Secretary of Agriculture may elect, of the name and address of the consignee, the nature and quantity of the stock it is proposed to ship, and the country and locality where the same was grown. No person shall ship or offer for shipment from one State or Territory or District of the United States into any other State or Territory or District, any nursery stock imported into the United States without notifying the Secretary of Agriculture or, at his direction, the proper State, Territorial, or District official of the State or Territory or District to which such nursery stock is destined, or both, as the Secretary of Agriculture may elect, immediately upon the delivery of the said stock for shipment, of the name and address of the consignee, of the nature and quantity of stock it is proposed to ship, and the country and locality where the same was grown, unless and until such imported stock has been inspected by the proper official of a State, Territory, or District of the United States. (Aug. 20, 1912, ch. 308, § 2, 37 Stat. 316.)

§ 157. Marking packages, etc., for entry.—No person shall import or offer for entry into the United States any nursery stock unless the case, box, package, crate, bale, or bundle thereof shall be plainly and correctly marked to show the general nature and quantity of the contents, the country and locality where the same was grown, the name and address of the shipper, owner, or person shipping or forwarding the same, and the name and address of the consignee. (Aug. 20, 1912, ch. 308, § 3, 37 Stat. 316.)

§ 158. Marking packages, etc., for interstate shipment; inspection.—No person shall ship or deliver for shipment from one State or Territory or District of the United States into any other State or Territory or District any such imported nursery stock the case, box, package, crate, bale, or bundle whereof is not plainly marked so as to show the general nature and quantity of the contents, the name and address of the consignee, and the country and locality where such stock was grown, unless and until such imported stock has been inspected by the proper official of a State, Territory, or District of the United States. (Aug. 20, 1912, ch. 308, § 4, 37 Stat. 316.)

§ 159. Regulations by Secretary restricting importation of plants, etc., other than "nursery stock"; notice and hearing before adoption of regulations.—Whenever the Secretary of Agriculture shall determine that the unrestricted importation of any plants, fruits, vegetables, roots, bulbs, seeds, or other plant products not included by the term "nursery stock" as defined in section 152 of this title may result in the entry into the United States or any of its Territories or Districts of injurious plant diseases or insect pests, he shall promulgate his determination, specifying the class of plants and plant products the importation of which shall be restricted and the country and locality where they are grown, and thereafter, and until such promulgation is withdrawn, such plants and plant products imported or offered for import into the United States or any of its Territories or Districts shall be subject to all the provisions of sections 151-154, 156-158 of this title: *Provided*, That before the Secretary of Agriculture shall promulgate his determination that the unrestricted importation of any plants, fruits, vegetables, roots, bulbs, seeds, or other plant products not included by the term "nursery stock" as defined in section 152 of this title may result in the entry into the United States or any of its Territories or Districts of injurious plant diseases or insect pests he shall, after due notice, give a public hearing, under such rules and regulations as he shall prescribe, at which hearing any interested party may appear and be heard, either in person or by attorney. (Aug. 20, 1912, ch. 308, § 5, 37 Stat. 316.)

§ 160. Regulations by Secretary restricting importation from insect-infested locality; hearing and promulgation of regulations; when quarantine effective.—Whenever, in order to prevent the introduction into the United States of any tree, plant, or fruit disease or of any injurious insect, new to or not theretofore widely prevalent or distributed within and throughout the United States, the Secretary of Agriculture shall determine that it is necessary to forbid the importation into the United States of any class of nursery stock or of any other class of plants, fruits, vegetables, roots, bulbs, seeds, or other plant products from a country or locality where such disease or insect infestation exists, he shall promulgate such determination, specifying the country and locality and the class of nursery stock or other class of plants, fruits, vegetables, roots, bulbs, seeds, or other plant products which, in his opinion, should be excluded. Following the promulgation of such determination by the Secretary of Agriculture, and until the withdrawal of the said promulgation by him, the importation of the class of nursery stock or of other class of plants, fruits, vegetables, roots, bulbs, seeds, or other plant products specified in the said promulgation from the country and locality therein named, regardless of the use for which the same is intended, is hereby prohibited; and until the withdrawal of the said promulgation by the Secretary of Agriculture, and notwithstanding that such class of nursery stock, or other class of plants, fruits, vegetables, roots, bulbs, seeds, or other plant products be accompanied by a certificate of inspection from the country of importation, no person shall import or offer for entry into the

United States from any country or locality specified in such promulgation, any of the class of nursery stock or of other class of plants, fruits, vegetables, roots, bulbs, seeds, or other plant products named therein, regardless of the use for which the same is intended: *Provided*, That before the Secretary of Agriculture shall promulgate his determination that it is necessary to forbid the importation into the United States of the articles named in this section he shall, after due notice to interested parties, give a public hearing, under such rules and regulations as he shall prescribe, at which hearing any interested party may appear and be heard, either in person or by attorney: *Provided further*, That the quarantine provisions of this section, as apply to the white-pine blister rust, potato wart, and the Mediterranean fruit fly, shall become and be effective on August 20, 1912. (Aug. 20, 1912, ch. 308, § 7, 37 Stat. 317.)

CROSS REFERENCE

Importation for scientific purposes of plants forbidden under this section, see section 155 of this title.

§ 161. Interstate quarantine; shipments or removals from quarantined localities forbidden; regulations by Secretary for shipment, etc., from quarantined localities; notice and hearings; promulgation.—The Secretary of Agriculture is authorized and directed to quarantine any State, Territory, or District of the United States, or any portion thereof, when he shall determine that such quarantine is necessary to prevent the spread of a dangerous plant disease or insect infestation, new to or not theretofore widely prevalent or distributed within and throughout the United States; and the Secretary of Agriculture is directed to give notice of the establishment of such quarantine to common carriers doing business in or through such quarantined area, and shall publish in such newspapers in the quarantined area as he shall select notice of the establishment of quarantine. No person shall ship or offer for shipment to any common carrier nor shall any common carrier receive for transportation or transport, nor shall any person carry or transport from any quarantined State or Territory or District of the United States, or from any quarantined portion thereof, into or through any other State or Territory or District, any class of nursery stock or any other class of plants, fruits, vegetables, roots, bulbs, seeds, or other plant products, or any class of stone or quarry products, or any other article of any character whatsoever, capable of carrying any dangerous plant disease or insect infestation, specified in the notice of quarantine except as hereinafter provided. It shall be unlawful to move, or allow to be moved, any class of nursery stock or any other class of plants, fruits, vegetables, roots, bulbs, seeds, or other plant products, or any class of stone or quarry products or any other article of any character whatsoever, capable of carrying any dangerous plant disease or insect infestation, specified in the notice of quarantine hereinbefore provided, and regardless of the use for which the same is intended, from any quarantined State or Territory or District of the United States or quarantined portion thereof, into or through any other State

or Territory or District, in manner or method or under conditions other than those prescribed by the Secretary of Agriculture. It shall be the duty of the Secretary of Agriculture, when the public interests will permit, to make and promulgate rules and regulations which shall permit and govern the inspection, disinfection, certification, and method and manner of delivery and shipment of the class of nursery stock or of any other class of plants, fruits, vegetables, roots, bulbs, seeds, or other plant products, or any class of stone or quarry products, or any other article of any character whatsoever, capable of carrying any dangerous plant disease or insect infestation, specified in the notice of quarantine hereinbefore provided, and regardless of the use for which the same is intended, from a quarantined State or Territory or District of the United States, or quarantined portion thereof, into or through any other State or Territory or District; and the Secretary of Agriculture shall give notice of such rules and regulations as hereinbefore provided in this section for the notice of the establishment of quarantine: *Provided*, That before the Secretary of Agriculture shall promulgate his determination that it is necessary to quarantine any State, Territory, or District of the United States, or portion thereof, under the authority given in this section, he shall, after due notice to interested parties, give a public hearing under such rules and regulations as he shall prescribe, at which hearing any interested party may appear and be heard, either in person or by attorney: *Provided further*, That until the Secretary of Agriculture shall have made a determination that such a quarantine is necessary and has duly established the same with reference to any dangerous plant disease or insect infestation, as hereinabove provided, nothing in sections 151-154, 156-165, 167 of this title shall be construed to prevent any State, Territory, Insular Possession, or District from promulgating, enacting, and enforcing any quarantine, prohibiting or restricting the transportation of any class of nursery stock, plant, fruit, seed, or other product or article subject to the restrictions of this section, into or through such State, Territory, District, or portion thereof, from any other State, Territory, District, or portion thereof, when it shall be found, by the State, Territory, or District promulgating or enacting the same, that such dangerous plant disease or insect infestation exists in such other State, Territory, District, or portion thereof: *Provided further*, That the Secretary of Agriculture is hereby authorized, whenever he deems such action advisable and necessary to carry out the purposes of sections 151-154, 156-165, 167 of this title, to cooperate with any State, Territory, or District, in connection with any quarantine, enacted or promulgated by such State, Territory, or District, as specified in the preceding proviso: *Provided further*, That any nursery stock, plant, fruit, seed, or other product or article, subject to the restrictions of this section, a quarantine with respect to which shall have been established by the Secretary of Agriculture under the provisions of sections 151-154, 156-165, 167 of this title shall, when transported to, into, or through any State, Territory, or District, in violation of such quarantine, be subject to the operation and effect of the laws of

such State, Territory, or District, enacted in the exercise of its police powers, to the same extent and in the same manner as though such nursery stock, plant, fruit, seed, or other product or article had been produced in such State, Territory, or District, and shall not be exempt therefrom by reason of being introduced therein in original packages or otherwise. (Aug. 20, 1912, ch. 308, § 8, 37 Stat. 318; Mar. 4, 1917, ch. 179, 39 Stat. 1165; Apr. 13, 1926, ch. 135, 44 Stat. 250.)

§ 161a. Inspection and certification of domestic plants, and plant products for export; disposition of moneys.—Any moneys received on account of the inspection under such rules and regulations as the Secretary of Agriculture may prescribe of domestic plants and plant products when offered for export and on account of the certification to shippers and interested parties of freedom of such products from injurious plant diseases and insect pests according to the sanitary requirements of the foreign countries affected shall be covered into the Treasury as miscellaneous receipts. (July 12, 1943, ch. 215, § 1, 57 Stat. 408; June 28, 1944, ch. 296, § 1, 58 Stat. 440.)

§ 162. General rules and regulations by Secretary.—The Secretary of Agriculture shall make and promulgate such rules and regulations as may be necessary for carrying out the purposes of sections 151-154, 156-165, 167 of this title. (Aug. 20, 1912, ch. 308, § 9, 37 Stat. 318.)

§ 163. General violations; forgery, alterations, etc., of certificates; punishment; proof of violations by common carrier.—Any person who shall violate any of the provisions of sections 151-154, 156-165, 167 of this title, or who shall forge, counterfeit, alter, deface, or destroy any certificate provided for in sections 151-154, 156-165, 167 of this title or in the regulations of the Secretary of Agriculture, shall be deemed guilty of a misdemeanor and shall, upon conviction thereof, be punished by a fine not exceeding \$500 or by imprisonment not exceeding one year, or both such fine and imprisonment, in the discretion of the court: *Provided*, That no common carrier shall be deemed to have violated the provisions of sections 151-154, 156-162 of this title on proof that such carrier did not knowingly receive for transportation or transport nursery stock or other plants or plant products as such from one State, Territory, or District of the United States into or through any or State, Territory, or District. (Aug. 20, 1912, ch. 308, § 10, 37 Stat. 318.)

§ 164. Duty of United States attorneys to prosecute.—It shall be the duty of the United States attorneys diligently to prosecute any violations of sections 151-154, 156-165, 167 of this title which are brought to their attention by the Secretary of Agriculture or which come to their notice by other means. (Aug. 20, 1912, ch. 308, § 10, 37 Stat. 318.)

§ 164a. Enforcement of quarantine against nursery stock and plant products; search and seizure.—Any employee of the Department of Agriculture, authorized by the Secretary of Agriculture to enforce the provisions of sections 151-154, 156-165, 167 of this title and furnished with and wearing a suitable badge for

identification, who has probable cause to believe that any person coming into the United States, or any vehicle, receptacle, boat, ship, or vessel, coming from any country or countries or moving interstate, possesses, carries, or contains any nursery stock, plants, plant products, or other articles the entry or movement of which in interstate or foreign commerce is prohibited or restricted by the provisions of sections 151-154, 156-165, 167 of this title, or by any quarantine or order of the Secretary of Agriculture issued or promulgated pursuant thereto, shall have power to stop and without warrant, to inspect, search, and examine such person, vehicle, receptacle, boat, ship, or vessel, and to seize, destroy, or otherwise dispose of, such nursery stock, plants, plant products, or other articles found to be moving or to have been moved in interstate commerce or to have been brought into the United States in violation of sections 151-154, 156-165, 167 of this title or of such quarantine or order. (Aug. 20, 1912, ch. 308, § 10, as added May 1, 1928, ch. 462, 45 Stat. 468.)

§ 165. Federal Horticultural Board.

Functions of Federal Horticultural Board created by this section, act August 20, 1912, ch. 308, § 12, 37 Stat. 319, were devolved upon Plant Quarantine and Control Administration and an Advisory Federal Plant Quarantine Board similar in composition to Federal Horticultural Board was created by act May 16, 1928, ch. 572, 45 Stat. 565. This Advisory Board was abolished by act March 3, 1933, ch. 203, 47 Stat. 1463. See section 165a of this title.

§ 165a. Federal Horticultural Board; function transferred to Plant Quarantine and Control Administration.—The functions of the Federal Horticultural Board shall devolve upon and be exercised by the Plant Quarantine and Control Administration. (May 16, 1928, ch. 572, 45 Stat. 565; Mar. 3, 1933, ch. 203, 47 Stat. 1463.)

Advisory Federal Plant Quarantine Board, originally established by act May 16, 1928, cited to text, was abolished by act March 3, 1933, cited to text.

§ 166. State terminal inspection; transmission of mailed packages for State inspection; nonmailable matter; punishment for violations; rules and regulations by Postmaster General.—When any State shall provide for terminal inspection of plants and plant products, and shall establish and maintain, at the sole expense of the State, such inspection at one or more places therein, the proper officials of said State may submit to the Secretary of Agriculture a list of plants and plant products and the plant pests transmitted thereby, that in the opinion of said officials should be subject to terminal inspection in order to prevent the introduction or dissemination in said State of pests injurious to agriculture. Upon his approval of said list, in whole or in part, the Secretary of Agriculture shall transmit the same to the Postmaster General, and thereafter all packages containing any plants or plant products named in said approved lists shall, upon payment of postage therefor, be forwarded by the postmaster at the destination of said package to the proper State official at the nearest place where inspection is maintained. If the plants or plant products (including seed) are found upon inspection to be free from injurious

pests and not in violation of a plant-quarantine law or plant-quarantine regulation of the United States Department of Agriculture or of the State of destination pertaining to such injurious pests, or if infected shall be disinfected by said official, they shall upon payment of postage therefor be returned to the postmaster at the place of inspection to be forward¹ to the person to whom they are addressed; but if found to be infected with injurious pests and incapable of satisfactory disinfection or in violation of a plant-quarantine law or plant-quarantine regulation of the United States Department of Agriculture or of the State of destination pertaining to such injurious pests, the State inspector shall so notify the postmaster at the place of inspection who shall promptly notify the sender of said plants or plant products that they will be returned to him upon his request and at his expense, or in default of such request that they will be turned over to the State authorities for destruction.

It shall be unlawful for any person, firm, or corporation to deposit in the United States mails any package containing any plant or plant product addressed to any place within a State maintaining inspection thereof, as herein defined, without plainly marking the package so that its contents may be readily ascertained by an inspection of the outside thereof. Whoever shall fail to so mark said packages shall be punished by a fine of not more than \$100.

The Postmaster General is hereby authorized and directed to make all needful rules and regulations for carrying out the purposes hereof. (Mar. 4, 1915, ch. 144, 38 Stat. 1113; June 4, 1936, ch. 495, 49 Stat. 1461.)

§ 167. Provision relating to District of Columbia regarding shipment, inspection, seizure, destruction, etc., of plants, etc.; punishment.—Prohibition against shipment generally.—In order further to control and eradicate and to prevent the dissemination of dangerous plant diseases and insect infections and infestations no plant or plant products for or capable of propagation, including nursery stock, hereinafter referred to as plants and plant products, shall be moved or allowed to be moved, shipped, transported, or carried by any means whatever into or out of the District of Columbia, except in compliance with such rules and regulations as shall be prescribed by the Secretary of Agriculture as hereinafter provided.

Eradication by owner.—Whenever the Secretary of Agriculture, after investigation, shall determine that any plants and plant products in the District of Columbia are infested or infected with insect pests and diseases and that any place, articles, and substances used or connected therewith are so infested or infected, written notice shall be given by him to the owner or person in possession or control thereof, and such owner or person shall forthwith control or eradicate and prevent the dissemination of such insect pest or disease and shall remove, cut, or destroy such infested and infected plants, plant products, and articles and substances used or connected therewith, which are hereby declared

¹ So in original. Probably should read "forwarded."

to be nuisances, within the time and in the manner required in said notice or by the rules and regulations of the Secretary of Agriculture.

Eradication by Secretary of Agriculture.—Whenever such owner or person cannot be found, or shall fail, neglect, or refuse to comply with the foregoing provisions of this section, the Secretary of Agriculture is hereby authorized and required to control and eradicate and prevent dissemination of such insect pest or disease and to remove, cut, or destroy infested or infected plants and plant products and articles and substances used or connected therewith, and the United States shall have an action of debt against such owner or persons for expenses incurred by the Secretary of Agriculture in that behalf.

Inspection.—Employees of the Plant Quarantine and Control Administration are hereby authorized and required to inspect places, plants, and plant products and articles and substances used or connected therewith whenever the Secretary of Agriculture shall determine that such inspections are necessary for the purposes of this section.

Entry upon premises; opening packages; destruction of plants, etc.—For the purpose of carrying out the provisions and requirements of this section and of the rules and regulations of the Secretary of Agriculture made hereunder, and the notices given pursuant thereto, employees of the Plant Quarantine and Control Administration shall have power with a warrant to enter into or upon any place and open any bundle, package, or other container of plants or plant products whenever they shall have cause to believe that infections or infestations of plant pests and disease exist therein or thereon, and when such infections or infestations are found to exist, after notice by the Secretary of Agriculture to the owner or person in possession or control thereof and an opportunity by said owner or person to be heard, to destroy the infected and infested plants or plant products contained therein.

Search warrants.—The Police Court or the Municipal Court of the District of Columbia shall have power, upon information supported by oath or affirmation showing probable cause for believing that there exists in any place, bundle, package, or other container in the District of Columbia any plant or plant product which is infected or infested with plant pests or disease, to issue warrants for the search for and seizure of all such plants and plant products.

Rules and regulations.—It shall be the duty of the Secretary of Agriculture, and he is hereby required, from time to time, to make and promulgate such rules and regulations as shall be necessary to carry out the purposes of this section, and any person who shall move or allow to be moved, or shall ship, transport, or carry, by any means whatever, any plant or plant products from or into the District of Columbia, except in compliance with the rules and regulations prescribed under this section, shall be punished, as is provided in section 163 of this title. (Aug. 20, 1912, ch. 308, § 15, as added May 31, 1920, ch. 217, 41 Stat. 726; May 16, 1928, ch. 572, 45 Stat. 565.)

Chapter 8A.—RUBBER

§ 171. Program for development of guayule and other rubber-bearing plants.—The Secretary of Agriculture (hereinafter called the "Secretary") is authorized—

(1) To acquire by purchase, license, or other agreement, the right to operate under processes or patents relating to the growing and harvesting of guayule or the extraction of rubber therefrom, and such properties, processes, records, and data as are necessary to such operation, including but not limited to any such rights owned or controlled by the Intercontinental Rubber Company, or any of its subsidiaries, and all equipment, materials, structures, factories, real property, seed, seedlings, growing shrub, and other facilities, patents and processes of the Intercontinental Rubber Company, or any of its subsidiaries, located in California, and for such rights, properties, and facilities of the Intercontinental Rubber Company or any of its subsidiaries, the Secretary is authorized to pay not to exceed \$2,000,000;

(2) To plant, or contract for the planting of, not in excess of five hundred thousand acres of guayule in areas in the Western Hemisphere where the best growth and yields may be expected in order to maintain a nucleus planting of guayule to serve as a domestic source of crude rubber as well as of planting material for use in further expanding guayule planting to meet emergency needs of the United States for crude rubber; to establish and maintain nurseries to provide seedlings for field plants; and to purchase necessary equipment, facilities, land for nurseries and administrative sites and water rights;

(3) To acquire by lease, or other agreement, for not exceeding ten years, rights to land for the purpose of making plantings of guayule; to acquire water rights; to erect necessary buildings on leased land where suitable land cannot be purchased; to make surveys, directly or through appropriate Government agencies, of areas in the Western Hemisphere where guayule might be grown; and to establish and maintain records indicating areas to which guayule cultivation could be extended for emergency production;

(4) To construct or operate, or to contract for the operation of, factories for the extraction of rubber from guayule, and from *Chrysothamnus*, commonly known as rabbit brush; to purchase guayule shrub; and to purchase, operate, and maintain equipment for the harvesting, storing, transporting, and complete processing of guayule, and *Chrysothamnus*, commonly known as rabbit brush, and to purchase land as sites for processing plants;

(5) To conduct studies, in which he may cooperate with any other public or private agency, designed to increase the yield of guayule by breeding or by selection, and to improve planting methods; to make surveys of areas suitable for cultivating guayule; to make experimental plantings; and to conduct agronomic tests;

(6) To conduct test, in which he may cooperate with any other public or private agency, to determine the qualities of rubber obtained from guayule and to determine the most favor-

able methods of compounding and using guayule in rubber manufacturing processes;

(7) To improve methods of processing guayule shrubs and rubber and to obtain and hold patents on such new processes;

(8) To sell guayule or rubber processed from guayule and to use funds so obtained in replanting and maintaining an area not in excess of five hundred thousand acres of guayule inside the Western Hemisphere; and

(9) To exercise with respect to rubber-bearing plants other than guayule the same powers as are granted in the foregoing provisions of this section with respect to guayule. (Mar. 5, 1942, ch. 140, § 1, 56 Stat. 126, as amended Oct. 20, 1942, ch. 617, §§ 1-4, 56 Stat. 796, 797.)

AMENDMENTS

1942—Par. (2) was amended by act Oct. 20, 1942, § 1, cited to text, which inserted words "five hundred" in lieu of "seventy-five", and words "land for nurseries and administrative sites and water rights" in lieu of words "and land for nurseries."

Par. (3) was amended by act Oct. 20, 1942, § 2, cited to text, by inserting the words "to acquire water rights; to erect necessary buildings on leased land where suitable land cannot be purchased;"

Par. (4) was amended by act Oct. 20, 1942, § 3, cited to text, by inserting the words "to purchase guayule shrub;"

Par. (8) was amended by act Oct. 20, 1942, § 4, cited to text, by inserting the words "not in excess of five hundred" in lieu of words "of seventy-five".

ADDITIONAL ACREAGE AUTHORIZED

Act of Oct. 26, 1942, ch. 629, title II, 56 Stat. 1002, provided in part as follows: "The Secretary of Agriculture, in connection with the appropriations herein and heretofore made for such project, is authorized to plant, or contract for the planting of, not to exceed twenty-five thousand acres of guayule in areas in the Western Hemisphere in addition to the acreage permitted under the provisions of paragraph (1), section 1, of the Act of March 5, 1942 (Public Law 473) (par. (1) of this section.)"

§ 172. Same; appointment of employees; delegation of powers; cooperation with other agencies; allotment of funds; leases of facilities and disposal of water.—(a) The Secretary is authorized to appoint such employees, including citizens of other countries, as may be necessary for carrying out the provisions of this chapter. Such appointments may be made without regard to the provisions of the civil-service laws, and the compensation of the persons so appointed may be fixed without regard to the provisions of sections 661-673 and 674 of Title 5. (Sections 321 to 324, inclusive, and sections 325a of Title 40 of the United States Code (1940 edition), shall not apply to any nursery, planting, cultivating or harvesting operations conducted pursuant to this chapter.) All appointments so made by the Secretary shall be made only on the basis of merit and efficiency.

(b) The Secretary may delegate any of the powers and duties conferred on him by this chapter to any agency or bureau of the department of Agriculture.

(c) The Secretary, with the consent of any board, commission, independent establishment, corporation, or executive department of the Government, including any field service thereof, may avail himself of the use of information, services, facilities, officers and employees thereof, in carrying out the provisions of this chapter.

(d) The Secretary may allot to bureaus and offices of the Department of Agriculture, or may transfer to such other agencies of the State and Federal Governments as may be requested by him to assist in carrying out this chapter, any funds made available to him under this chapter.

(e) In carrying out the provisions of this chapter the Secretary shall have all of the authority conferred upon him by section 502 of Title 16.

(f) The Secretary may lease at reasonable rentals structures erected by the Government with essential facilities for such periods as such structures and facilities are not required for the purposes of this chapter; and any part of land or structures with essential facilities acquired by lease, deed, or other agreement pursuant to this chapter, which are not required or suitable for the purposes of this chapter during the period the United States is entitled to possession thereof may be leased or subleased at a reasonable rental; and any surplus water controlled by the United States on land owned or leased by the United States for the purposes of this chapter may be disposed of at reasonable rates. (Mar. 5, 1942, ch. 140, § 2, 56 Stat. 127, as amended Oct. 20, 1942, ch. 617, §§ 5-7, 56 Stat. 797.)

AMENDMENTS

1942—Subd. (a) was amended by act Oct. 20, 1942, §§ 5, 7, cited to text, by inserting after the words "citizens of" the word "other", by striking out the words "in the Western Hemisphere", and by inserting the sentence immediately following the words "of Title 5."

Subsecs. (e) and (f) were added by act Oct. 20, 1942, § 6, cited to text.

§ 173. Same; appropriations.—There are authorized to be appropriated such amounts as may be necessary to carry out the provisions of this chapter. Any amounts so appropriated, and any funds received by the Secretary under this chapter, shall remain permanently available for the purposes of this chapter without regard to the provisions of any other laws relating to the availability and disposition of appropriated funds and the disposition of funds collected by officers or agencies of the United States. (Mar. 5, 1942, ch. 140, § 3, 56 Stat. 128.)

§ 174. Same; disposition of proceeds from sale.—Any proceeds from the sales of guayule, rubber processed from guayule, or other rubber-bearing plants, or from other sales, rentals, and fees resulting from operations under sections 171, 172, and 173 of this title, shall be covered into the Treasury as miscellaneous receipts. (Apr. 28, 1942, ch. 247, title III, 56 Stat. 240, as amended July 2, 1942, ch. 476, title I, § 1, 56 Stat. 597; July 12, 1943, ch. 215, § 1, 57 Stat. 415; June 28, 1944, ch. 296, § 1, 58 Stat. 447.)

CODIFICATION

Text of section is from act July 2, 1942, cited thereto. Act Apr. 28, 1942, also cited, contained identical provisions, except for words "rentals, and fees," which did not appear therein.

§ 175. Same; lease or sublease of unsuitable lands; disposal of water supply.—Subject to conditions prescribed by the Secretary of Agriculture, any part of the land acquired by lease, deed, or

other agreement pursuant to sections 171, 172 and 173 of this title, which is not required or suitable for the purposes of said sections may be leased or subleased at a reasonable rental during the period the United States is entitled to possession thereof; and any surplus water supplies controlled by the United States on such land may be disposed of at reasonable rates. (July 2, 1942, ch. 476, title I, § 1, 56 Stat. 597.)

Chapter 9.—PACKERS AND STOCKYARDS

GENERAL DEFINITIONS

Bureau of Animal Industry, see section 391 et seq. of this title.

§ 181. **Short title of chapter.**—This chapter may be cited as the “Packers and Stockyards Act, 1921.” (Aug. 15, 1921, ch. 64, § 1, 42 Stat. 159.)

§ 182. **“Person”; “Secretary”; “meat food products”; “livestock”; “livestock products”; “commerce”; defined.**—When used in this chapter—

(1) The term “person” includes individuals, partnerships, corporations, and associations;

(2) The term “Secretary” means the Secretary of Agriculture;

(3) The term “meat food products” means all products and byproducts of the slaughtering and meat-packing industry—if edible;

(4) The term “livestock” means cattle, sheep, swine, horses, mules, or goats—whether live or dead;

(5) The term “livestock products” means all products and byproducts (other than meats and meat food products) of the slaughtering and meat-packing industry derived in whole or in part from livestock; and

(6) The term “commerce” means commerce between any State, Territory, or possession, or the District of Columbia, but through any place outside thereof; or within any Territory or possession, or the District of Columbia. (Aug. 15, 1921, ch. 64, § 2, 42 Stat. 159.)

§ 183. **When transaction deemed in commerce; “State” defined.**—For the purpose of this chapter (but not in anywise limiting the definition in the preceding section) a transaction in respect to any article shall be considered to be in commerce if such article is part of that current of commerce usual in the livestock and meat-packing industries, whereby livestock, meats, meat food products, livestock products, dairy products, poultry, poultry products, or eggs, are sent from one State with the expectation that they will end their transit, after purchase, in another, including, in addition to cases within the above general description, all cases where purchase or sale is either for shipment to another State, or for slaughter of livestock within the State and the shipment outside the State of the products resulting from such slaughter. Articles normally in such current of commerce shall not be considered out of such current through resort being had to any means or device intended to remove transactions in respect thereto from the provisions of this chapter. For the purpose of this section the word “State” includes Territory, the District of

Columbia, possession of the United States, and foreign nation. (Aug. 15, 1921, ch. 64, § 2, 42 Stat. 159.)

PACKERS GENERALLY

§ 191. "Packer" defined.—When used in this chapter—

The term "packer" means any person engaged in the business (a) of buying livestock in commerce for purposes of slaughter, or (b) of manufacturing or preparing meats or meat food products for sale or shipment in commerce, or (c) of manufacturing or preparing livestock products for sale or shipment in commerce, or (d) of marketing meats, meat food products, livestock products, dairy products, poultry, poultry products, or eggs, in commerce; but no person engaged in such business of manufacturing or preparing livestock products or in such marketing business shall be considered a packer unless—

(1) Such person is also engaged in any business referred to in clause (a) or (b) above, or unless

(2) Such person owns or controls, directly or indirectly, through stock ownership or control or otherwise, by himself or through his agents, servants, or employees, any interest in any business referred to in clause (a) or (b) above, or unless

(3) Any interest in such business of manufacturing or preparing livestock products, or in such marketing business is owned or controlled, directly or indirectly, through stock ownership or control or otherwise, by himself or through his agents, servants, or employees, by any person engaged in any business referred to in clause (a) or (b) above, or unless

(4) Any person or persons jointly or severally, directly or indirectly, through stock ownership or control or otherwise, by themselves or through their agents, servants, or employees, own or control in the aggregate 20 per centum or more of the voting power or control in such business of manufacturing or preparing livestock products, or in such marketing business and also 20 per centum or more of such power or control in any business referred to in clause (a) or (b) above. (Aug. 15, 1921, ch. 64, § 201, 42 Stat. 160.)

§ 192. Unlawful practices enumerated.—It shall be unlawful for any packer or any live poultry dealer or handler to:

(a) Engage in or use any unfair, unjustly discriminatory, or deceptive practice or device in commerce; or

(b) Make or give, in commerce, any undue or unreasonable preference or advantage to any particular person or locality in any respect whatsoever, or subject, in commerce, any particular person or locality to any undue or unreasonable prejudice or disadvantage in any respect whatsoever; or

(c) Sell or otherwise transfer to or for any other packer, or any live poultry dealer or handler, or buy or otherwise receive from or for any other packer or any live poultry dealer or handler any article for the purpose or with the effect of apportioning the supply in commerce between any such packers, if such apportionment has the tendency or effect of restraining commerce or of creating a monopoly in commerce; or

(d) Sell or otherwise transfer to or for any other person, or buy or otherwise receive from or for any other person, any article for the purpose or with the effect of manipulating or controlling prices in commerce, or of creating a monopoly in the acquisition of, buying, selling, or dealing in, any article in commerce, or of restraining commerce; or

(e) Engage in any course of business or do any act for the purpose or with the effect of manipulating or controlling prices in commerce, or of creating a monopoly in the acquisition of, buying, selling, or dealing in, any article in commerce, or of restraining commerce; or

(f) Conspire, combine, agree, or arrange with any other person (1) to apportion territory for carrying on business in commerce, or (2) to apportion purchases or sales of any article in commerce, or (3) to manipulate or control prices in commerce; or

(g) Conspire, combine, agree, or arrange with any other person to do, or aid or abet the doing of, any act made unlawful by subdivision (a), (b), (c), (d), or (e). (Aug. 15, 1921, ch. 64, § 202, 42 Stat. 161; Aug. 15, 1921, ch. 64, § 503, as added Aug. 14, 1935, ch. 532, 49 Stat. 649.)

§ 193. General procedure before Secretary for violations; complaint; hearing; intervention; report and order; service of process.

—(a) Whenever the Secretary has reason to believe that any packer has violated or is violating any provision of sections 191-195 of this title, he shall cause a complaint in writing to be served upon the packer, stating his charges in that respect, and requiring the packer to attend and testify at a hearing at a time and place designated therein, at least thirty days after the service of such complaint; and at such time and place there shall be afforded the packer a reasonable opportunity to be informed as to the evidence introduced against him (including the right of cross-examination), and to be heard in person or by counsel and through witnesses, under such regulations as the Secretary may prescribe. Any person for good cause shown may on application be allowed by the Secretary to intervene in such proceeding, and appear in person or by counsel. At any time prior to the close of the hearing the Secretary may amend the complaint; but in case of any amendment adding new charges the hearing shall, on the request of the packer, be adjourned for a period not exceeding fifteen days.

(b) If, after such hearing, the Secretary finds that the packer has violated or is violating any provisions of sections 191-195 of this title covered by the charges, he shall make a report in writing in which he shall state his findings as to the facts, and shall issue and cause to be served on the packer an order requiring such packer to cease and desist from continuing such violation. The testimony taken at the hearing shall be reduced to writing and filed in the records of the Department of Agriculture.

(c) Until a transcript of the record in such hearing has been filed in a circuit court of appeals of the United States, as provided in section 194 of this title, the Secretary at any time, upon such notice and in such manner as he deems proper, but only

after reasonable opportunity to the packer to be heard, may amend or set aside the report or order, in whole or in part.

(d) Complaints, orders, and other processes of the Secretary under this section may be served in the same manner as provided in section 45 of Title 15. (Aug. 15, 1921, ch. 64, § 203, 42 Stat. 161.)

§ 194. Conclusiveness of order; appeal and review; temporary and final injunction.—(a) An order made under section 193 of this title shall be final and conclusive unless within thirty days after service the packer appeals to the circuit court of appeals for the circuit in which he has his principal place of business, by filing with the clerk of such court a written petition praying that the Secretary's order be set aside or modified in the manner stated in the petition, together with a bond in such sum as the court may determine, conditioned that such packer will pay the costs of the proceedings if the court so directs.

(b) The clerk of the court shall immediately cause a copy of the petition to be delivered to the Secretary, and the Secretary shall forthwith prepare, certify, and file in the court a full and accurate transcript of the record in such proceedings, including the complaint, the evidence, and the report and order. If before such transcript is filed the Secretary amends or sets aside his report or order, in whole or in part, the petitioner may amend the petition within such time as the court may determine, on notice to the Secretary.

(c) At any time after such transcript is filed the court, on application of the Secretary, may issue a temporary injunction restraining, to the extent it deems proper, the packer and his officers, directors, agents, and employees, from violating any of the provisions of the order pending the final determination of the appeal.

(d) The evidence so taken or admitted, duly certified and filed as aforesaid as a part of the record, shall be considered by the court as the evidence in the case. The proceedings in such cases in the circuit court of appeals shall be made a preferred cause and shall be expedited in every way.

(e) The court may affirm, modify, or set aside the order of the Secretary.

(f) If the court determines that the just and proper disposition of the case requires the taking of additional evidence, the court shall order the hearing to be reopened for the taking of such evidence, in such manner and upon such terms and conditions as the court may deem proper. The Secretary may modify his findings as to the facts, or make new findings, by reason of the additional evidence so taken and he shall file such modified or new findings and his recommendations, if any, for the modification or setting aside of his order, with the return of such additional evidence.

(g) If the circuit court of appeals affirms or modifies the order of the Secretary, its decree shall operate as an injunction to restrain the packer, and his officers, directors, agents, and employees from violating the provisions of such order or such order as modified.

(h) The circuit court of appeals shall have exclusive jurisdiction to review, and to affirm, set aside, or modify, such orders of the Secretary, and the decree of such court shall be final except that it shall be subject to review by the Supreme Court of the United States upon certiorari, as provided in section 347 of Title 28, if such writ is duly applied for within sixty days after entry of the decree. The issue of such writ shall not operate as a stay of the decree of the circuit court of appeals, insofar as such decree operates as an injunction unless so ordered by the Supreme Court.

(i) For the purposes of sections 191-195 of this title the term "circuit court of appeals", in case the principal place of business of the packer is in the District of Columbia, means the United States Court of Appeals for the District of Columbia. (Aug. 15, 1921, ch. 64, § 204, 42 Stat. 162; June 7, 1934, ch. 426, 48 Stat. 926.)

CHANGE IN NAME

Act June 7, 1934, cited to text, provided that Court of Appeals in District of Columbia shall hereafter be known as the United States Court of Appeals for the District of Columbia.

§ 195. Punishment for violation of order.—Any packer, or any officer, director, agent, or employee of a packer, who fails to obey any order of the Secretary issued under the provisions of section 193 of this title, or such order as modified—

(1) After the expiration of the time allowed for filing a petition in the circuit court of appeals to set aside or modify such order, if no such petition has been filed within such time; or

(2) After the expiration of the time allowed for applying for a writ of certiorari, if any such order, or such order as modified, has been sustained by the circuit court of appeals and no such writ has been applied for within such time; or

(3) After such order, or such order as modified, has been sustained by the courts as provided in section 194 of this title; shall on conviction be fined not less than \$500 nor more than \$10,000, or imprisoned for not less than six months nor more than five years, or both. Each day during which such failure continues shall be deemed a separate offense. (Aug. 15, 1921, ch. 64, § 205, 42 Stat. 163.)

STOCKYARDS AND STOCKYARD DEALERS

§ 201. "Stockyard owner"; "stockyard services"; "market agency"; "dealer"; defined.—When used in this chapter—

(a) The term "stockyard owner" means any person engaged in the business of conducting or operating a stockyard;

(b) The term "stockyard services" means services or facilities furnished at a stockyard in connection with the receiving, buying, or selling on a commission basis or otherwise, marketing, feeding, watering, holding, delivery, shipment weighing, or handling in commerce, of livestock;

(c) The term "market agency" means any person engaged in the business of (1) buying or selling in commerce livestock at a stockyard on a commission basis or (2) furnishing stockyard services; and

(d) The term "dealer" means any person, not a market agency, engaged in the business of buying or selling in commerce livestock at a stockyard, either on his own account or as the employee or agent of the vendor or purchaser. (Aug. 15, 1921, ch. 64, § 301, 42 Stat. 163.)

§ 202. "Stockyard" defined; determination by Secretary as to particular yard.—(a) When used in sections 201-203, 205-217 of this title the term "stockyard" means any place, establishment, or facility commonly known as stockyards, conducted or operated for compensation or profit as a public market, consisting of pens, or other inclosures, and their appurtenances, in which live cattle, sheep, swine, horses, mules, or goats are received, held, or kept for sale or shipment in commerce. Sections 201-203, 205-217 of this title shall not apply to a stockyard of which the area normally available for handling livestock, exclusive of runs, alleys, or passageways, is less than twenty thousand square feet.

(b) The Secretary shall from time to time ascertain, after such inquiry as he deems necessary, the stockyards which come within the foregoing definition, and shall give notice thereof to the stockyard owners concerned, and give public notice thereof by posting copies of such notice in the stockyard, and in such other manner as he may determine. After the giving of such notice to the stockyard owner and to the public, the stockyard shall remain subject to the provision of sections 201-203, 204-217 of this title until like notice is given by the Secretary that such stockyard no longer comes within the foregoing definition. (Aug. 15, 1921, ch. 64, § 302, 42 Stat. 163.)

§ 203. Registration of stockyard dealer or market agency; penalty for failure to register.—After the expiration of thirty days after the Secretary has given public notice that any stockyard is within the definition of section 202 of this title by posting copies of such notice in the stockyard, no person shall carry on the business of a market agency or dealer at such stockyard unless he has registered with the Secretary under such rules and regulations as the Secretary may prescribe, his name and address, the character of business in which he is engaged, and the kinds of stockyard services, if any, which he furnishes at such stockyard. Whoever violates the provisions of this section shall be liable to a penalty of not more than \$500 for each such offense and not more than \$25 for each day it continues, which shall accrue to the United States and may be recovered in a civil action brought by the United States. (Aug. 15, 1921, ch. 64, § 303, 42 Stat. 163.)

§ 204. Bond and suspension of registrants.—Hereafter the Secretary may require reasonable bonds from every market agency and dealer, under such rules and regulations as he may prescribe, to secure the performance of their obligations, and whenever, after due notice and hearing, the Secretary finds any registrant is insolvent or has violated any provisions of said Act he may issue an order suspending such registrant for a reasonable specified period. Such order of suspension shall take effect within not less than five days, unless suspended or modified or set aside

by the Secretary or a court of competent jurisdiction. (June 25, 1940, ch. 421, § 1, 54 Stat. 557; July 1, 1941, ch. 267, § 1, 55 Stat. 432; July 22, 1942, ch. 516, § 1, 56 Stat. 689; July 12, 1943, ch. 215, § 1, 57 Stat. 422.)

AMENDMENTS

1943—Act July 12, 1943, cited to text, substituted "Secretary" for "Secretary of Agriculture".

§ 205. General duty as to services.—It shall be the duty of every stockyard owner and market agency to furnish upon reasonable request, without discrimination, reasonable stockyard services at such stockyard: *Provided*, That in any State where the weighing of livestock at a stockyard is conducted by a duly authorized department or agency of the State, the Secretary, upon application of such department or agency, may register it as a market agency for the weighing of livestock received in such stockyard, and upon such registration such department or agency and the members thereof shall be amendable to all the requirements of this chapter; and upon failure of such department or agency or the members thereof to comply with the orders of the Secretary under this chapter he is authorized to revoke the registration of such department or agency and to enforce such revocation as provided in section 216 of this title. (Aug. 15, 1921, ch. 64, § 304, 42 Stat. 164; May 5, 1926, ch. 240, 44 Stat. 397.)

§ 206. Rates and charges generally; discrimination.—All rates or charges made for any stockyard services furnished at a stockyard by a stockyard owner or market agency shall be just, reasonable, and nondiscriminatory, and any unjust, unreasonable, or discriminatory rate or charge is prohibited and declared to be unlawful. (Aug. 15, 1921, ch. 64, § 305, 42 Stat. 164.)

CROSS REFERENCE

Application to certain licensees, see section 218c of this title.

§ 207. Schedule of rates; filing and exhibition; change in rates; suspension; penalties.—(a) Within sixty days after the Secretary has given public notice that a stockyard is within the definition of section 202 of this title, by posting copies of such notice in the stockyard, the stockyard owner and every market agency at such stockyard shall file with the Secretary, and print and keep open to public inspection at the stockyard, schedules showing all rates and charges for the stockyard services furnished by such person at such stockyard. If a market agency commences business at the stockyard after the expiration of such sixty days such schedules must be filed before any stockyard services are furnished.

(b) Such schedules shall plainly state all such rates and charges in such detail as the Secretary may require, and shall also state any rules or regulations which in any manner change, affect, or determine any part or the aggregate of such rates or charges, or the value of the stockyard services furnished. The Secretary may determine and prescribe the form and manner in which such schedules shall be prepared, arranged, and posted, and may from

time to time make such changes in respect thereto as may be found expedient.

(c) No changes shall be made in the rates or charges so filed and published, except after ten days' notice to the Secretary and to the public filed and published as aforesaid, which shall plainly state the changes proposed to be made and the time such changes will go into effect; but the Secretary may for good cause shown, allow changes on less than ten days' notice, or modify the requirements of this section in respect to publishing, posting, and filing of schedules, either in particular instances or by a general order applicable to special or peculiar circumstances or conditions.

(d) The Secretary may reject and refuse to file any schedule tendered for filing which does not provide and give lawful notice of its effective date, and any schedule so rejected by the Secretary shall be void and its use shall be unlawful.

(e) Whenever there is filed with the Secretary any schedule, stating a new rate or charge, or a new regulation or practice affecting any rate or charge, the Secretary may either upon complaint or upon his own initiative without complaint, at once, and if he so orders without answer or other formal pleading by the person filing such schedule, but upon reasonable notice, enter upon a hearing concerning the lawfulness of such rate, charge, regulation, or practice, and pending such hearing and decision thereon the Secretary, upon filing with such schedule and delivering to the person filing it a statement in writing of his reasons for such suspension, may suspend the operation of such schedule and defer the use of such rate, charge, regulation, or practice, but not for a longer period than thirty days beyond the time when it would otherwise go into effect; and after full hearing, whether completed before or after the rate, charge, regulation, or practice goes into effect, the Secretary may make such order with reference thereto as would be proper in a proceeding initiated after it had become effective. If any such hearing cannot be concluded within the period of suspension the Secretary may extend the time of suspension for a further period not exceeding thirty days, and if the proceeding has not been concluded and an order made at the expiration of such thirty days, the proposed change of rate, charge, regulation, or practice shall go into effect at the end of such period.

(f) After the expiration of the sixty days referred to in subdivision (a), no person shall carry on the business of a stockyard owner or market agency unless the rates and charges for the stockyard services furnished at the stockyard have been filed and published in accordance with this section and the orders of the Secretary made thereunder; nor charge, demand, or collect a greater or less or different compensation for such services than the rates and charges specified in the schedules filed and in effect at the time; nor refund or remit in any manner any portion of the rates or charges so specified (but this shall not prohibit a co-operative association of producers from bona fide returning to its members, on a patronage basis, its excess earnings on their livestock, subject to such regulations as the Secretary may pre-

scribe); nor extend to any person at such stockyard any stockyard services except such as are specified in such schedules.

(g) Whoever fails to comply with the provisions of this section or of any regulation or order of the Secretary made thereunder shall be liable to a penalty of not more than \$500 for each such offense, and not more than \$25 for each day it continues, which shall accrue to the United States and may be recovered in a civil action brought by the United States.

(h) Whoever willfully fails to comply with the provisions of this section or of any regulation or order of the Secretary made thereunder shall on conviction be fined not more than \$1,000, or imprisoned not more than one year, or both. (Aug. 15, 1921, ch. 64, § 306, 42 Stat. 164.)

CROSS REFERENCE

Application to certain licensees, see section 218c of this title.

§ 208. Unreasonable or discriminatory practices generally.—It shall be the duty of every stockyard owner and market agency to establish, observe, and enforce just, reasonable, and nondiscriminatory regulations and practices in respect to the furnishing of stockyard services, and every unjust, unreasonable, or discriminatory regulation or practice is prohibited and declared to be unlawful. (Aug. 15, 1921, ch. 64, § 307, 42 Stat. 165.)

CROSS REFERENCE

Application to certain licensees, see section 218c of this title.

§ 209. Liability to individuals for violations; enforcement generally.—(a) If any stockyard owner, market agency, or dealer violates any of the provisions of sections 205, 206, 207, or 208 of this title, or of any order of the Secretary made under sections 201-203, 205-217 of this title, he shall be liable to the person or persons injured thereby for the full amount of damages sustained in consequence of such violation.

(b) Such liability may be enforced either (1) by complaint to the Secretary as provided in section 210 of this title, or (2) by suit in any district court of the United States of competent jurisdiction; but this section shall not in any way abridge or alter the remedies now existing at common law or by statute, but the provisions of this chapter are in addition to such remedies. (Aug. 15, 1921, ch. 64, § 308, 42 Stat. 165.)

CROSS REFERENCE

Application to certain licensees, see section 218c of this title.

§ 210. Proceedings before Secretary for violations generally; action to enforce order of Secretary.—(a) Any person complaining of anything done or omitted to be done by any stockyard owner, market agency, or dealer (hereinafter in this section referred to as the "defendant") in violation of the provisions of sections 205, 206, 207, or 208 of this title, or of an order of the Secretary made under sections 201-203, 205-217 of this title, may, at any time within ninety days after the cause of action accrues, apply to the Secretary by petition which shall briefly state the facts, whereupon the complaint thus made shall be forwarded by

the Secretary to the defendant, who shall be called upon to satisfy the complaint, or to answer it in writing, within a reasonable time to be specified by the Secretary. If the defendant within the time specified makes reparation for the injury alleged to be done he shall be relieved of liability to complainant only for the particular violation thus complained of. If the defendant does not satisfy the complaint within the time specified, or there appears to be any reasonable ground for investigating the complaint, it shall be the duty of the Secretary to investigate the matters complained of in such manner and by such means as he deems proper.

(b) The Secretary, at the request of the livestock commissioner, board of agriculture, or other agency of a State or Territory, having jurisdiction over stockyards in such State or Territory, shall investigate any complaint forwarded by such agency in like manner and with the same authority and powers as in the case of a complaint made under subdivision (a).

(c) The Secretary may at any time institute an inquiry on his own motion, in any case and as to any matter or thing concerning which a complaint is authorized to be made to or before the Secretary, by any provision of sections 201-203, 205-217 of this title, or concerning which any question may arise under any of the provisions of sections 201-203, 205-217 of this title, or relating to the enforcement of any of the provisions of sections 201-203, 205-217 of this title. The Secretary shall have the same power and authority to proceed with any inquiry instituted upon his own motion as though he had been appealed to by petition, including the power to make and enforce any order or orders in the case or relating to the matter or thing concerning which the inquiry is had, except orders for the payment of money.

(d) No complaint shall at any time be dismissed because of the absence of direct damage to the complainant.

(e) If after hearing on a complaint the Secretary determines that the complainant is entitled to an award of damages, the Secretary shall make an order directing the defendant to pay to the complainant the sum to which he is entitled on or before a day named.

(f) If the defendant does not comply with an order for the payment of money within the time limit in such order, the complainant, or any person for whose benefit such order was made, may within one year of the date of the order file in the district court of the United States for the district in which he resides or in which is located the principal place of business of the defendant or in any State court having general jurisdiction of the parties, a petition setting forth briefly the causes for which he claims damages, and the order of the Secretary in the premises. Such suit in the district court shall proceed in all respects like other civil suits for damages except that the findings and orders of the Secretary shall be prima facie evidence of the facts therein stated, and the petitioner shall not be liable for costs in the district court nor for costs at any subsequent stage of the proceedings unless they accrue upon his appeal. If the petitioner finally prevails, he shall be allowed a reasonable attorney's fee to be

taxed and collected as a part of the costs of the suit. (Aug. 15, 1921, ch. 64, § 309, 42 Stat. 165.)

CROSS REFERENCE

Application to certain licensees, see section 218c of this title.

§ 211. Order of Secretary as to charges or practices; prescribing rates and practices generally.—Whenever after full hearing upon a complaint made as provided in section 210 of this title, or after full hearing under an order for investigation and hearing under an order for investigation and hearing made by the Secretary on his own initiative, either in extension of any pending complaint or without any complaint whatever, the Secretary is of the opinion that any rate, charge, regulation, or practice of a stockyard owner or market agency, for or in connection with the furnishing of stockyard services, is or will be unjust, unreasonable, or discriminatory, the Secretary—

(a) May determine and prescribe what will be the just and reasonable rate or charge, or rates or charges, to be thereafter in such case observed as both the maximum and minimum to be charged, and what regulation or practice is or will be just, reasonable, and nondiscriminatory to be thereafter followed; and

(b) May make an order that such owner or operator (1) shall cease and desist from such violation to the extent to which the Secretary finds that it does or will exist; (2) shall not thereafter publish, demand, or collect any rate or charge for the furnishing of stockyard services more or less than the rate or charge so prescribed; and (3) shall conform to and observe the regulation or practice so prescribed. (Aug. 15, 1921, ch. 64, § 310, 42 Stat. 166; Aug. 10, 1939, ch. 663, 53 Stat. 1351.)

CROSS REFERENCE

Application to certain licensees, see section 218c of this title.

§ 212. Prescribing rates and practices to prevent discrimination between intrastate and interstate commerce.—Whenever in any investigation under the provisions of sections 201-203, 205-217 of this title, or in any investigation instituted by petition of the stockyard owner or market agency concerned, which petition is hereby authorized to be filed, the Secretary after full hearing finds that any rate, charge, regulation, or practice of any stockyard owner or market agency, for or in connection with the buying or selling on a commission basis or otherwise, receiving, marketing, feeding, holding, delivery, shipment, weighing, or handling, not in commerce, of livestock, causes any undue or unreasonable advantage, prejudice, or preference as between persons or localities in intrastate commerce in livestock on the one hand and interstate or foreign commerce in livestock on the other hand, or any undue, unjust, or unreasonable discrimination against interstate or foreign commerce in livestock, which is hereby forbidden and declared to be unlawful, the Secretary shall prescribe the rate, charge, regulation, or practice thereafter to be observed, in such manner as, in his judgment, will remove such advantage, preference, or discrimination. Such rates, charges, regulations, or prac-

tices shall be observed while in effect by the stockyard owners or market agencies parties to such proceeding affected thereby, the law of any State or the decision or order of any State authority to the contrary notwithstanding. (Aug. 15, 1921, ch. 64, § 311, 42 Stat. 167.)

CROSS REFERENCE

Application to certain licensees, see section 218c of this title.

§ 213. Prevention of unfair, discriminatory, or deceptive practices.—(a) It shall be unlawful for any stockyard owner, market agency, or dealer to engage in or use any unfair, unjustly discriminatory, or deceptive practice or device in connection with the receiving, marketing, buying, or selling on a commission basis or otherwise, feeding, watering, holding, delivery, shipment, weighing, or handling, in commerce at a stockyard, of livestock.

(b) Whenever complaint is made to the Secretary by any person, or whenever the Secretary has reason to believe, that any stockyard owner, market agency, or dealer is violating the provisions of subdivision (a), the Secretary after notice and full hearing may make an order that he shall cease and desist from continuing such violation to the extent that the Secretary finds that it does or will exist. (Aug. 15, 1921, ch. 64, § 312, 42 Stat. 167.)

CROSS REFERENCE

Application to certain licensees, see section 218c of this title.

§ 214. When orders effective generally.—Except as otherwise provided in this chapter all orders of the Secretary under sections 201-203, 205-217 of this title, other than orders for the payment of money, shall take effect within such reasonable time, not less than five days, as is prescribed in the order, and shall continue in force until his further order, or for a specified period of time, according as is prescribed in the order, unless such order is suspended or modified or set aside by the Secretary or is suspended or set aside by a court of competent jurisdiction. (Aug. 15, 1921, ch. 64, § 313, 42 Stat. 167.)

CROSS REFERENCE

Application to certain licensees, see section 218c of this title.

§ 215. Failure to obey orders generally; punishment.—(a) Any stockyard owner, market agency, or dealer who knowingly fails to obey any order made under the provisions of sections 211, 212, or 213 of this title shall forfeit to the United States the sum of \$500 for each offense. Each distinct violation shall be a separate offense, and in case of a continuing violation each day shall be deemed a separate offense. Such forfeiture shall be recoverable in a civil suit in the name of the United States.

(b) It shall be the duty of the various district attorneys, under the direction of the Attorney General, to prosecute for the recovery of forfeitures. The costs and expenses of such prosecution shall be paid out of the appropriation for the expenses of the courts of the United States. (Aug. 15, 1921, ch. 64, § 314, 42 Stat. 167.)

CROSS REFERENCE

Application to certain licensees, see section 218c of this title.

§ 216. Court proceedings to enforce orders; injunction.—If any stockyard owner, market agency, or dealer fails to obey any order of the Secretary other than for the payment of money while the same is in effect, the Secretary, or any party injured thereby, or the United States by its Attorney General, may apply to the district court for the district in which such person has his principal place of business for the enforcement of such order. If after hearing the court determines that the order was lawfully made and duly served and that such person is in disobedience of the same, the court shall enforce obedience to such order by a writ of injunction or other proper process, mandatory or otherwise, to restrain such person, his officers, agents, or representatives from further disobedience of such order or to enjoin upon him or them obedience to the same. (Aug. 15, 1921, ch. 64, § 315, 42 Stat. 167.)

CROSS REFERENCE

Application to certain licensees, see section 218c of this title.

§ 217. Proceedings for suspension of orders.—For the purposes of sections 201-203, 205-217 of this title, the provisions of all laws relating to the suspending or restraining the enforcement, operation, or execution of, or the setting aside in whole or in part the orders of the Interstate Commerce Commission, are made applicable to the jurisdiction, powers, and duties of the Secretary in enforcing the provisions of sections 201-203, 205-217 of this title, and to any person subject to the provisions of sections 201-203, 205-217 of this title. (Aug. 15, 1921, ch. 64, § 316, 42 Stat. 168.)

CROSS REFERENCE

Application to certain licensees, see section 218c of this title.

§ 217a. Brand inspection fees by registered market agencies.—
(a) The Secretary may, upon written application made to him, and if he deems it necessary, authorize the charging and collection, at any stockyard subject to the provisions of this chapter, by any department or agency of any State in which branding or marking or both branding and marking livestock as a means of establishing ownership prevails by custom or statute, or by a duly organized livestock association of any such State, of a reasonable and nondiscriminatory fee for the inspection of brands, marks, and other identifying characteristics of livestock originating in or shipped from such State, for the purpose of determining the ownership of such livestock. No charge shall be made under any such authorization until the authorized department, agency, or association has registered as a market agency. No more than one such authorization shall be issued with respect to such inspection of livestock originating in or shipped from any one State. If more than one such application is filed with respect to such inspection of livestock originating in or shipped from any one State, the Secretary shall issue such authorization to the applicant deemed by him best qualified to perform the

proposed service, on the basis of (1) experience, (2) financial responsibility, (3) extent and efficiency of organization, (4) possession of necessary records, and (5) any other factor relating to the ability of the applicant to perform the proposed service. The Secretary may receive and consider the recommendations of the commissioner, secretary, or director of agriculture, or other appropriate officer or agency of a State as to the qualifications of any applicant in such State. The decision of the Secretary as to the applicant best qualified shall be final.

(b) The provisions of sections 201-203 and 205-217a of this title relating to the filing, publication, approval, modification, and suspension of any rate or charge for any stockyard service shall apply with respect to charges authorized to be made under this section.

(c) Charges authorized to be made under this section shall be collected by the market agency or other person receiving and disbursing the funds received from the sale of livestock with respect to the inspection of which such charge is made, and paid by it to the department, agency, or association performing such service.

(d) The Secretary may, if he deems it to be in the public interest, suspend, and after hearing, revoke any authorization and registration issued under any other provision of law. The order of the Secretary suspending or revoking any such authorization and registration shall not be subject to review. (Aug. 15, 1921, ch. 64, title III, § 317, as added June 19, 1942, ch. 421, 56 Stat. 372).

PRIOR LAW

Former provisions relating to fees for inspection of brands appearing upon livestock were contained in section 231 of this title.

LIVE POULTRY DEALERS AND HANDLERS

§ 218. Unfair, deceptive, and fraudulent practices; necessity to curb.—The handling of the great volume of live poultry required as an article of food for the inhabitants of large centers of population is attendant with various unfair, deceptive, and fraudulent practices and devices, resulting in the producers sustaining sundry losses and receiving prices far below the reasonable value of their live poultry in comparison with prices of other commodities and in unduly and arbitrarily enhancing the cost to the consumers. Such practices and devices are an undue restraint and unjust burden upon interstate commerce and are a matter of such grave concern to the industry and to the public as to make it imperative that steps be taken to free such commerce from such burden and restraint and to protect producers and consumers against such practices and devices. (Aug. 15, 1921, ch. 64, § 501, as added Aug. 14, 1935, ch. 532, 49 Stat. 648.)

§ 218a. Designation of cities and markets where unfair practices exist; licenses required; application for and issuance by Secretary of Agriculture; penalty for dealing without license.—

(a) The Secretary of Agriculture is authorized and directed to ascertain from time to time and to designate the cities where such practices and devices exist to the extent stated in section 218 of

this title and the markets and places in or near such cities where live poultry is received, sold, and handled in sufficient quantity to constitute an important influence on the supply and price of live poultry and poultry products. On and after the effective date of such designation, which shall be publicly announced by the Secretary by publication in one or more trade journals or in the daily press or in such other manner as he may determine to be adequate for the purpose approximately thirty days prior to such date, no person other than packers as defined in section 191 of this title and railroads shall engage in, furnish, or conduct any service or facility in any such designated city, place, or market in connection with the receiving, buying, or selling, on a commission basis or otherwise, marketing, feeding, watering, holding, delivering, shipping, weighing, unloading, loading on trucks, trucking, or handling in commerce of live poultry without a license from the Secretary of Agriculture as herein authorized valid and effective at such time. Any person who violates any provision of this subsection shall be subject to a fine of not more than \$500 or imprisonment of not more than six months, or both.

(b) Any person desiring a license shall make application to the Secretary, who may by regulation prescribe the information to be contained in such application. The Secretary shall issue a license to any applicant furnishing the required information unless he finds after opportunity for a hearing that such applicant is unfit to engage in the activity for which he has made application by reason of his having at any time within two years prior to his application engaged in any practice of the character prohibited by this chapter or because he is financially unable to fulfill the obligations that he would incur as a licensee. (Aug. 15, 1921, ch. 64, § 502, as added Aug. 14, 1935, ch. 532, 49 Stat. 648.)

§ 218b. "Live poultry dealer" defined.—The term "live poultry dealer" means any person engaged in the business of buying or selling live poultry in commerce for purposes of slaughter either on his own account or as the employee or agent of the vendor or purchaser. (Aug. 15, 1921, ch. 64, § 503, as added Aug. 14, 1935, ch. 532, 49 Stat. 649.)

§ 218c. Application of other provisions of chapter to this subchapter.—The provisions of sections 206-217, 221, 222, 223, and 224 of this title shall be applicable to licensees with respect to services and facilities covered by this subchapter and the rates, charges, and rentals therefor except that the schedules of rates, charges, and rentals shall be posted in the place of business of the licensee as prescribed in regulations made by the Secretary. (Aug. 15, 1921, ch. 64, § 504, as added Aug. 14, 1935, ch. 532, 49 Stat. 649.)

§ 218d. Suspension and revocation of licenses.—Whenever the Secretary determines, after opportunity for a hearing, that any licensee has violated or is violating any of the provisions of sections 218-218d of this title, he may publish the facts and circumstances of such violation and by order suspend the license of such offender for a period not to exceed ninety days and if the violation is flagrant or repeated he may by order revoke the

license of the offender. (Aug. 15, 1921, ch. 64, § 505, as added Aug. 14, 1935, ch. 532, 49 Stat. 649.)

COMMON PROVISIONS

§ 221. Accounts and records of business; punishment for failure to keep.—Every packer or any live poultry dealer or handler, stockyard owner, market agency, and dealer shall keep such accounts, records, and memoranda as fully and correctly disclose all transactions involved in his business, including the true ownership of such business by stockholding or otherwise. Whenever the Secretary finds that the accounts, records, and memoranda of any such person do not fully and correctly disclose all transactions involved in his business, the Secretary may prescribe the manner and form in which such accounts, records, and memoranda shall be kept, and thereafter any such person who fails to keep such accounts, records, and memoranda in the manner and form prescribed or approved by the Secretary shall upon conviction be fined not more than \$5,000, or imprisoned not more than three years, or both. (Aug. 15, 1921, ch. 64, § 401, 42 Stat. 168; Aug. 15, 1921, ch. 64, § 503, as added Aug. 14, 1935, ch. 532, 49 Stat. 649.)

CROSS REFERENCE

Application to certain licensees, see section 218c of this title.

§ 222. Federal Trade Commission powers adopted for enforcement of chapter.—For the efficient execution of the provisions of this chapter, and in order to provide information for the use of Congress, the provisions (including penalties) of sections 46, 48, 49, and 50 of Title 15, are made applicable to the jurisdiction, powers, and duties of the Secretary in enforcing the provisions of this chapter and to any person subject to the provisions of this chapter, whether or not a corporation. The Secretary, in person or by such agents as he may designate, may prosecute any inquiry necessary to his duties under this chapter in any part of the United States. (Aug. 15, 1921, ch. 64, § 402, 42 Stat. 168; Aug. 15, 1921, ch. 64, § 503, as added Aug. 14, 1935, ch. 532, 49 Stat. 649.)

1935 AMENDMENT

Act August 14, 1935, cited to text, purported to amend this section by inserting a phrase after word "packer" but word "packer" does not occur in this section.

CROSS REFERENCE

Application to certain licensees, see section 218c of this title.

§ 223. Responsibility of principal for act or omission of agent.—When construing and enforcing the provisions of this chapter, the act, omission, or failure of any agent, officer, or other person acting for or employed by any packer or any live poultry dealer or handler, stockyard owner, market agency, or dealer, within the scope of his employment or office, shall in every case also be deemed the act, omission, or failure of such packer, stockyard owner, market agency, or dealer, as well as that of such agent, officer, or other person. (Aug. 15, 1921, ch. 64, § 403, 42 Stat.

168; Aug. 15, 1921, ch. 64, § 503, as added Aug. 14, 1935, ch. 532, 49 Stat. 649.)

CROSS REFERENCE

Application to certain licensees, see section 218c of this title.

§ 224. Attorney General to institute court proceedings for enforcement.—The Secretary may report any violation of this chapter to the Attorney General of the United States, who shall cause appropriate proceedings to be commenced and prosecuted in the proper courts of the United States without delay. (Aug. 15, 1921, ch. 64, § 404, 42 Stat. 168; Aug. 15, 1921, ch. 64, § 503, as amended Aug. 14, 1935, ch. 532, 49 Stat. 649.)

CROSS REFERENCE

Application to certain licensees, see section 218c of this title.

1935 AMENDMENT

Act August 14, 1935, cited to text, purported to amend this section by inserting a phrase after word "packer" but word "packer" does not occur in this section.

§ 225. Other laws unaffected.—Nothing contained in this chapter, except as otherwise provided herein, shall be construed—

(a) To prevent or interfere with the enforcement of, or the procedure under, the provisions of sections 1-27, 61-65 of Title 15, or the provisions of chapter 1, Title 49, or

(b) To alter, modify, or repeal such sections or any part or parts thereof, or

(c) To prevent or interfere with any investigation, proceeding, or prosecution begun and pending on August 15, 1921. Aug. 15, 1921, ch. 64, § 405, 42 Stat. 168.)

§ 226. Powers of Interstate Commerce Commission unaffected.—Nothing in this chapter shall affect the power or jurisdiction of the Interstate Commerce Commission, nor confer upon the Secretary concurrent power or jurisdiction over any matter within the power or jurisdiction of such commission. (Aug. 15, 1921, ch. 64, § 406, 42 Stat. 169.)

§ 227. Powers of Federal Trade Commission restricted.—So long as this chapter remains in effect, the Federal Trade Commission shall have no power or jurisdiction so far as relating to any matter which by this chapter is made subject to the jurisdiction of the Secretary except when the Secretary of Agriculture, in the exercise of his duties hereunder, shall request of the said Federal Trade Commission that it make investigations and report in any case. (Aug. 15, 1921, ch. 64, § 406, 42 Stat. 169.)

§ 228. General authority of Secretary as to rules, regulations, and expenditures.—The Secretary may make such rules, regulations, and orders as may be necessary to carry out the provisions of this chapter and may cooperate with any department or agency of the Government, any State, Territory, District, or possession, or department, agency, or political subdivision thereof, or any person; and shall have the power to appoint, remove, and fix the compensation of such officers and employees, not in conflict with existing law, and make such expenditures for rent outside

the District of Columbia, printing, telegrams, telephones, law books, books of reference, periodicals, furniture, stationery, office equipment, travel, and other supplies and expenses as shall be necessary to the administration of this chapter in the District of Columbia and elsewhere, and as may be appropriated for by Congress, and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for such purpose. (Aug. 15, 1921, ch. 64, § 407, 42 Stat. 169.)

§ 228a. Inspection of livestock, hides, animal products, etc.; place; charges; disposal of funds.—The Secretary of Agriculture upon application of any exporter, importer, packer, or owner of, or the agent thereof, or dealer in, livestock, hides, skins, meat, or other animal products may, in his discretion, cause to be made inspections and examinations at places other than the headquarters of inspectors for the convenience of said applicants, who may be charged for the expenses of travel and subsistence incurred for such inspections and examinations, the funds derived from such charges to be deposited in the Treasury of the United States to the credit of the appropriation from which the expenses are paid. (Sept. 21, 1944, ch. 412, title I, § 101 (c), 58 Stat. 734.)

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

APPROPRIATIONS

Section 101 (g) of Act Sept. 21, 1944, cited to text, provided that Congress may appropriate such funds as are necessary to accomplish the purpose of this section.

§ 229. Effect of partial invalidity.—If any provision of this chapter or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the chapter and of the application of such provision to other persons and circumstances shall not be affected thereby. (Aug. 15, 1921, ch. 64, § 408, 42 Stat. 169.)

CHARGE FOR INSPECTION

§ 231. Fee for inspection of brands appearing upon livestock.

CODIFICATION

Section has been eliminated from the Code. It was from provisions of the Agricultural Appropriation Acts cited and repeated in act July 1, 1941, ch. 267, § 1, 55 Stat. 432; act July 22, 1942, ch. 516, § 1, 56 Stat. 689. Permanent provisions on this subject are now contained in section 217a of this title.

Chapter 10.—WAREHOUSES

§ 241. Short title of chapter.—This chapter shall be known by the short title of "United States Warehouse Act." (Aug. 11, 1916, ch. 313, part C, § 1, 39 Stat. 486.)

§ 242. Terms defined; "warehouse", "person", "warehouseman", "receipt."—The term "warehouse" as used in this chapter shall be deemed to mean every building, structure, or other protected enclosure in which any agricultural product is or may be stored for interstate or foreign commerce, or, if located within

any place under the exclusive jurisdiction of the United States, in which any agricultural product is or may be stored. As used in this chapter, "person" includes a corporation or partnership or two or more persons having a joint or common interest; "warehouseman" means a person lawfully engaged in the business of storing agricultural products; and "receipt" means a warehouse receipt. (Aug. 11, 1916, ch. 313, part C, § 2, 39 Stat. 486; Feb. 23, 1923, ch. 106, 42 Stat. 1282.)

§ 243. Investigation of warehousing, weighing, classifying, and certification of agricultural products; inspection of warehouses; prescribing duties of warehousemen.—The Secretary of Agriculture is authorized to investigate the storage, warehousing, classifying according to grade and otherwise, weighing, and certification of agricultural products; upon application to him by any person applying for license to conduct a warehouse under this chapter, to inspect such warehouse or cause it to be inspected; at any time, with or without application to him, to inspect or cause to be inspected all warehouses licensed under this chapter; to determine whether warehouses for which licenses are applied for or have been issued under this chapter are suitable for the proper storage of any agricultural product or products; to classify warehouses licensed or applying for a license in accordance with their ownership, location, surroundings, capacity, conditions, and other qualities, and as to the kinds of licenses issued or that may be issued for them pursuant to this chapter; and to prescribe, within the limitations of this chapter, the duties of the warehousemen conducting warehouses licensed under this chapter with respect to their care of and responsibility for agricultural products stored therein. (Aug. 11, 1916, ch. 313, part C, § 3, 39 Stat. 486.)

§ 244. License to warehouseman generally.—The Secretary of Agriculture, or his designated representative, is authorized, upon application to him, to issue to any warehouseman a license for the conduct of a warehouse or warehouses in accordance with this chapter and such rules and regulations as may be made hereunder: *Provided*, That each such warehouse be found suitable for the proper storage of the particular agricultural product or products for which a license is applied for, and that such warehouseman agree, as a condition to the granting of the license, to comply with and abide by all terms of this chapter and the rules and regulations prescribed hereunder. (Aug. 11, 1916, ch. 313, part C, § 4, 39 Stat. 486; Mar. 2, 1931, ch. 366, § 1, 46 Stat. 1463.)

§ 245. Term of license; renewal.—Each license issued under sections 244 and 248 of this title shall terminate as therein provided, or in accordance with the terms of this chapter and the regulations thereunder, and may from time to time be modified or extended by written instrument. (Aug. 11, 1916, ch. 313, part C, § 5, 39 Stat. 486; Feb. 23, 1923, ch. 106, 42 Stat. 1282.)

§ 246. Suspension and revocation of license of warehouseman generally.—The Secretary of Agriculture, or his designated representative, may, after opportunity for hearing has been afforded to the licensee concerned, suspend or revoke any license to any

warehouseman conducting a warehouse under this chapter, for any violation of or failure to comply with any provision of this chapter or of the rules and regulations made hereunder, or upon the ground that unreasonable or exorbitant charges have been made for services rendered. Pending investigation, the Secretary of Agriculture, or his designated representative, whenever he deems necessary, may suspend a license temporarily without hearing. (Aug. 11, 1916, ch. 313, part C, § 25, 39 Stat. 490; Mar. 2, 1931 ch. 366, § 8, 46 Stat. 1465.)

§ 247. Bond of applicant for warehouse license; additional bond.—Each warehouseman applying for a license to conduct a warehouse in accordance with this chapter shall, as a condition to the granting thereof, execute and file with the Secretary of Agriculture a good and sufficient bond to the United States to secure the faithful performance of his obligations as a warehouseman under the terms of this chapter and the rules and regulations prescribed hereunder, and of such additional obligations as a warehouseman as may be assumed by him under contracts with the respective depositors of agricultural products in such warehouse. Said bond shall be in such form and amount, shall have such surety or sureties, subject to service of process in suits on the bond within the State, District, or Territory in which the warehouse is located, and shall contain such terms and conditions as the Secretary of Agriculture may prescribe to carry out the purposes of this chapter, and may, in the discretion of the Secretary of Agriculture, include the requirements of fire and/or other insurance. Whenever the Secretary of Agriculture, or his designated representative, shall determine that a previously approved bond is, or for any cause has become, insufficient, he may require an additional bond or bonds to be given by the warehouseman concerned, conforming with the requirements of this section, and unless the same be given within the time fixed by a written demand therefor the license of such warehouseman may be suspended or revoked. (Aug. 11, 1916, ch. 313, part C, § 6, 39 Stat. 486; July 24, 1919; ch. 26, 41 Stat. 266; Feb. 23, 1923, ch. 106, 42 Stat. 1283; Mar. 2, 1931, ch. 366, § 2, 46 Stat. 1463.)

§ 248. License to person not warehouseman; bond; general duties of persons so licensed.—The Secretary of Agriculture, or his designated representative, may, under such rules and regulations as he shall prescribe, issue a license to any person not a warehouseman to accept the custody of agricultural products and to store the same in a warehouse or warehouses owned, operated, or leased by any State, upon condition that such person agree to comply with and abide by the terms of this chapter and the rules and regulations prescribed hereunder. Each person so licensed shall issue receipts for the agricultural products placed in his custody, and shall give bond, in accordance with the provisions of this chapter, and the rules and regulations hereunder affecting warehousemen licensed under this chapter, and shall otherwise be subject to this chapter, and such rules and regulations, to the same extent as is provided for warehousemen licensed hereunder. (Aug. 11, 1916, ch. 313, part C, § 9, 39 Stat. 487; Mar. 22, 1931, ch. 366, § 4, 46 Stat. 1464.)

§ 249. Action on bond by person injured.—Any person injured by the breach of any obligation to secure which a bond is given, under the provisions of section 247 or 248 of this title, shall be entitled to sue on the bond in his own name in any court of competent jurisdiction to recover the damages he may have sustained by such breach. (Aug. 1, 1916, ch. 313, part C, § 7, 39 Stat. 487.)

§ 250. Designation as bonded warehouse.—Upon the filing with and approval by the Secretary of Agriculture, or his designated representative, of a bond, in compliance with this chapter, for the conduct of a warehouse, such warehouse may be designated as bonded hereunder; but no warehouse shall be designated as bonded under this chapter, and no name or description conveying the impression that it is so bonded, shall be used, until a bond, such as provided for in section 247 of this title, has been filed with and approved by the Secretary of Agriculture, or his designated representative, nor unless the license issued under this chapter for the conduct of such warehouse remains unsuspended and unrevoked. (Aug. 11, 1916, ch. 313, part C, § 8, 39 Stat. 487; Mar. 2, 1931, ch. 366, § 3, 46 Stat. 1463.)

§ 251. Fee for inspection of warehouse or for license; disposition of moneys.—The Secretary of Agriculture, or his designated representative, may charge, assess, and cause to be collected a reasonable fee for every examination or inspection of a warehouse under this chapter when such examination or inspection is made upon application of a warehouseman, and for each license issued to a warehouseman or to any person to classify, inspect, grade, sample, and/or weigh agricultural products stored or to be stored under the provisions of this chapter, the Secretary of Agriculture, or his designated representative, may charge, assess, and cause to be collected a reasonable fee. All such fees shall be deposited and covered into the Treasury as miscellaneous receipts. (Aug. 11, 1916, ch. 313, part C, § 10, 39 Stat. 487; Mar. 2, 1931, ch. 366, § 5, 46 Stat. 1464.)

§ 252. License to classify, grade, or weight agricultural products.—The Secretary of Agriculture, or his designated representative, may upon presentation of satisfactory proof of competency, issue to any person a license to inspect, sample, or classify any agricultural product or products, stored or to be stored in a warehouse licensed under this chapter, according to condition, grade, or otherwise and to certificate the condition, grade, or other class thereof, or to weigh the same and certificate the weight thereof, or both to inspect, sample, or classify and weigh the same and to certificate the condition, grade, or other class and the weight thereof, upon condition that such person agree to comply with and abide by the terms of this chapter and of the rules and regulations prescribed hereunder so far as the same relate to him. (Aug. 11, 1916, ch. 313, part C, § 11, 39 Stat. 487; Feb. 23, 1923, ch. 106, 42 Stat. 1283; Mar. 2, 1931, ch. 366, § 6, 46 Stat. 1464.)

§ 253. Suspension and revocation of license to classify, grade, or weigh.—Any license issued to any person to inspect, sample, or classify, or to weigh any agricultural product or products under this chapter may be suspended or revoked by the Secretary of

Agriculture, or his designated representative, whenever he is satisfied, after opportunity afforded to the licensee concerned for a hearing, that such licensee has failed to inspect, sample, or classify or to weigh any agricultural product or products correctly, or has violated any of the provisions of this chapter or of the rules and regulations prescribed hereunder, so far as the same may relate to him, or that he has used his license or allowed it to be used for any improper purpose whatever. Pending investigation, the Secretary of Agriculture, or his designated representative, whenever he deems necessary, may suspend a license temporarily without hearing. (Aug. 11, 1916, ch. 313, part C, § 12, 39 Stat. 487; Feb. 23, 1923, ch. 106, 42 Stat. 1283; Mar. 2, 1931, ch. 366, § 7, 46 Stat. 1464.)

§ 254. Discrimination by warehouseman prohibited.—Every warehouseman conducting a warehouse licensed under this chapter shall receive for storage therein, so far as its capacity permits, any agricultural products of the kind customarily stored therein by him which may be tendered to him in a suitable condition for warehousing, in the usual manner in the ordinary and usual course of business, without making any discrimination between persons desiring to avail themselves of warehouse facilities. (Aug. 11, 1916, ch. 313, part C, § 13, 39 Stat. 488.)

§ 255. Deposits of products deemed made subject to chapter.—Any person who deposits agricultural products for storage in a warehouse licensed under this chapter shall be deemed to have deposited the same subject to the terms of this chapter and the rules and regulations prescribed thereunder. (Aug. 11, 1916, ch. 313, part C, § 14, 39 Stat. 488.)

§ 256. Inspection and grading of products stored.—Any fungible agricultural products stored for interstate or foreign commerce, or in any place under the exclusive jurisdiction of the United States, in a warehouse licensed under this chapter, shall be inspected and graded by a person duly prescribed to grade the same under this chapter. (Aug. 11, 1916, ch. 313, part C, § 15, 39 Stat. 488; Feb. 23, 1923, ch. 106, 42 Stat. 1283.)

§ 257. Standards for agricultural products.—The Secretary of Agriculture is authorized, from time to time, to establish and promulgate standards for agricultural products by which their quality or value may be judged or determined: *Provided*, That the standards for any agricultural products which have been, or which in the future may be, established by or under authority or any other Act of Congress shall be, and are hereby, adopted for the purposes of this chapter as the official standards of the United States for the agricultural products to which they relate. (Aug. 11, 1916, ch. 313, part C, § 19, 39 Stat. 489; Feb. 23, 1923, ch. 106, 42 Stat. 1284.)

§ 258. Mingling products stored.—Every warehouseman conducting a warehouse licensed under this chapter shall keep the agricultural products therein of one depositor so far separate from agricultural products of other depositors, and from other agricultural products of the same depositor for which a separate receipt has been issued, as to permit at all times the identification and redelivery of the agricultural products deposited; but if au-

thorized by agreement or by custom, a warehouseman may mingle fungible agricultural products with other agricultural products of the same kind and grade, and shall be severally liable to each depositor for the care and redelivery of his share of such mass, to the same extent and under the same circumstances as if the agricultural products had been kept separate, but he shall at no time while they are in his custody mix fungible agricultural products of different grades. (Aug. 11, 1916, ch. 313, part C, § 16, 39 Stat. 488.)

§ 259. Receipts for products stored generally.—For all agricultural products stored for interstate or foreign commerce, or in any place under the exclusive jurisdiction of the United States, in a warehouse licensed under this chapter original receipts shall be issued by the warehouseman conducting the same, but no receipts shall be issued except for agricultural products actually stored in the warehouse at the time of the issuance thereof. (Aug. 11, 1916, ch. 313, part C, § 17, 39 Stat. 488.)

§ 260. Contents of receipts.—Every receipt issued for agricultural products stored in a warehouse licensed under this chapter shall embody within its written or printed terms (a) the location of the warehouse in which the agricultural products are stored; (b) the date of issue of the receipt; (c) the consecutive number of the receipt; (d) a statement whether the agricultural products received will be delivered to the bearer, to a specified person, or to a specified person or his order; (e) the rate of storage charges; (f) a description of the agricultural products received, showing the quantity thereof, or, in case of agricultural products customarily put up in bales or packages, a description of such bales or packages by marks, numbers, or other means of identification and the weight of such bales or packages; (g) the grade or other class of the agricultural products received and the standard or description in accordance with which such classification has been made: *Provided*, That such grade or other class shall be stated according to the official standard of the United States applicable to such agricultural products as the same may be fixed and promulgated under the authority of law; *Provided further*, That until such official standards of the United States for any agricultural product or products have been fixed and promulgated, the grade or other class thereof may be stated in accordance with any recognized standard or in accordance with such rules and regulations not inconsistent herewith as may be prescribed by the Secretary of Agriculture; (h) a statement that the receipt is issued subject to the United States Warehouse Act and the rules and regulations prescribed thereunder; (i) if the receipt be issued for agricultural products of which the warehouseman is owner, either solely or jointly or in common with others, the fact of such ownership; (j) a statement of the amount of advances made and of liabilities incurred for which the warehouseman claims a lien: *Provided*, That if the precise amount of such advances made or of such liabilities incurred be at the time of the issue of the receipt unknown to the warehouseman or his agent who issues it, a statement of the fact that advances have been made or liabilities incurred and the

purpose thereof shall be sufficient; (k) such other terms and conditions within the limitations of this chapter as may be required by the Secretary of Agriculture; and (l) the signature of the warehouseman, which may be made by his authorized agent: *Provided*, That unless otherwise required by the law of the State in which the warehouse is located, when requested by the depositor of other than fungible agricultural products, a receipt omitting compliance with subdivision (g) of this section may be issued: *Provided, however*, That the Secretary of Agriculture may in his discretion require that such receipt have plainly and conspicuously embodied in its written or printed terms a provision that such receipt is not negotiable. (Aug. 11, 1916, ch. 313, part C, § 18, 39 Stat. 488; July 24, 1919, ch. 26, 41 Stat. 266; Feb. 23, 1923, ch. 106, 42 Stat. 1284.)

REFERENCE IN TEXT

The United States Warehouse Act mentioned in clause (h) includes sections 241-273 of this title.

§ 261. Issuance of further receipt, original outstanding.—While an original receipt issued under this chapter is outstanding and uncanceled by the warehouseman issuing the same no other or further receipt shall be issued for the agricultural product covered thereby or for any part thereof except that in the case of a lost or destroyed receipt a new receipt, upon the same terms and subject to the same conditions and bearing on its face the number and date of the receipt in lieu of which it is issued, may be issued upon compliance with the statutes of the United States applicable thereto in places under the exclusive jurisdiction of the United States or upon compliance with the laws of any State applicable thereto in any place not under the exclusive jurisdiction of the United States: *Provided*, That if there be in such case no statute of the United States or law of a State applicable thereto such new receipts may be issued upon the giving of satisfactory security in compliance with the rules and regulations made pursuant to this chapter. (Aug. 11, 1916, ch. 313, part C, § 20, 39 Stat. 489.)

§ 262. Delivery of products stored on demand; conditions to delivery.—A warehouseman conducting a warehouse licensed under this chapter, in the absence of some lawful excuse, shall, without unnecessary delay, deliver the agricultural products stored therein upon a demand made either by the holder of a receipt for such agricultural products or by the depositor thereof if such demand be accompanied with (a) an offer to satisfy the warehouseman's lien; (b) an offer to surrender the receipt, if negotiable, with such indorsements as would be necessary for the negotiation of the receipt; and (c) a readiness and willingness to sign, when the products are delivered, an acknowledgment that they have been delivered if such signature is requested by the warehouseman. (Aug. 11, 1916, ch. 313, part C, § 21, 39 Stat. 489.)

§ 263. Cancellation of receipt on delivery of product stored.—A warehouseman conducting a warehouse licensed under this chapter shall plainly cancel upon the face thereof each receipt re-

turned to him upon the delivery by him of the agricultural products for which the receipt was issued. (Aug. 11, 1916, ch. 313, part C, § 22, 39 Stat. 490.)

§ 264. Records of products stored; reports to Secretary of Agriculture; general compliance with provisions of chapter, rules, and regulations.—Every warehouseman conducting a warehouse licensed under this chapter shall keep in a place of safety complete and correct records of all agricultural products stored therein and withdrawn therefrom, of all warehouse receipts issued by him, and of the receipts returned to and cancelled by him, shall make reports to the Secretary of Agriculture concerning such warehouse and the condition, contents, operation, and business thereof in such form and at such times as he may require, and shall conduct said warehouse in all other respects in compliance with this chapter and the rules and regulations made thereunder. (Aug. 11, 1916, ch. 313, part C, § 23, 39 Stat. 490.)

§ 265. Examination of stored products; publication of findings.—The Secretary of Agriculture is authorized to cause examinations to be made of any agricultural product stored in any warehouse licensed under this chapter. Whenever, after opportunity for hearing is given to the warehouseman conducting such warehouse, it is determined that he is not performing fully the duties imposed on him by this chapter and the rules and regulations made thereunder, the Secretary may publish his findings. (Aug. 11, 1916, ch. 313, part C, § 24, 39 Stat. 490.)

§ 266. Publication of general investigation of warehousing, names and locations of bonded warehouses, and revocation of licenses.—The Secretary of Agriculture from time to time may publish the results of any investigations made under section 243 of this title and he shall publish the names and locations of warehouses licensed and bonded and the names and addresses of persons licensed under this chapter and list of all licenses terminated under this chapter and the causes therefor. (Aug. 11, 1916, ch. 313, part C, § 26, 39 Stat. 490.)

§ 267. Examination of books, records, etc., of warehousemen.—The Secretary of Agriculture is authorized through officials, employees, or agents of the Department of Agriculture designated by him to examine all books, records, papers, and accounts of warehouses licensed under this chapter and of the warehousemen conducting such warehouses relating thereto. (Aug. 11, 1916, ch. 313, part C, § 27, 39 Stat. 490.)

§ 268. Rules and regulations by Secretary of Agriculture.—The Secretary of Agriculture shall from time to time make such rules and regulations as he he may deem necessary for the efficient execution of the execution of the provisions of this chapter. (Aug. 11, 1916, ch. 313, part C, § 28, 39 Stat. 490.)

§ 269. Cooperation with State authorities; authority of Secretary; operation of existing laws.—In the discretion of the Secretary of Agriculture he is authorized to cooperate with State officials charged with the enforcement of State laws relating to warehouses, warehousemen, weighers, graders, inspectors, samplers, or classifiers; but the power, jurisdiction, and authority

conferred upon the Secretary of Agriculture under this chapter shall be exclusive with respect to all persons securing a license hereunder so long as said license remains in effect. This chapter shall not be construed so as to limit the operation of any statute of the United States relating to warehouses or to warehousemen, weighers, graders, inspectors, samplers, or classifiers now in force in the District of Columbia or in any Territory or other place under the exclusive jurisdiction of the United States. (Aug. 11, 1916, ch. 313, part C, § 29, 39 Stat. 490; Feb. 23, 1923, ch. 106, 42 Stat. 1285; Mar. 2, 1931, ch. 366, § 9, 46 Stat. 1465.)

§ 270. Punishment generally for violation of provisions of chapter; reimbursement of owner of products converted.—Every person who shall forge, alter, counterfeit, simulate, or falsely represent, or shall without proper authority use, any license issued by the Secretary of Agriculture, or his designated representative, under this chapter, or who shall violate or fail to comply with any provision of section 250 of this title, or who shall issue or utter a false or fraudulent receipt or certificate, or change in any manner an original receipt or certificate subsequently to issuance by a licensee, or any person who, without lawful authority, shall convert to his own use, or use for purposes of securing a loan, or remove from a licensed warehouse contrary to this chapter or the regulations promulgated thereunder, any agricultural products stored or to be stored in such warehouse, and for which licensed receipts have been or are to be issued, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not more than \$10,000, or double the value of the products involved if such double value exceeds \$10,000, or imprisoned not more than ten years, or both, in the discretion of the court, and the owner of the agricultural products so converted, used, or removed may, in the discretion of the Secretary of Agriculture, be reimbursed for the value thereof out of any fine collected hereunder, by check drawn on the Treasury at the direction of the Secretary of Agriculture for the value of such products to the extent that such owner has not otherwise been reimbursed. Any person who shall draw with intent to deceive, a false sample, of, or who shall willfully mutilate or falsely represent a sample drawn under this chapter, or who shall classify, grade, or weigh fraudulently, any agricultural products stored or to be stored under the provisions of this chapter, shall be deemed guilty of a misdemeanor, and upon conviction thereof fined not more than \$500, or imprisoned for not more than six months, or both, in the discretion of the court. (Aug. 11, 1916, ch. 313, part C, § 30, 39 Stat. 490; Feb. 23, 1923, ch. 106, 42 Stat. 1285; Mar. 2, 1931, ch. 366, § 10, 46 Stat. 1465.)

§ 271. Employment by Secretary of temporary assistance.—The Secretary of Agriculture is authorized in his discretion, to employ qualified persons not regularly in the service of the United States for temporary assistance in carrying out the purposes of this chapter. (Aug. 11, 1916, ch. 313, part C, § 31, 39 Stat. 491.)

§ 272. Effect of partial invalidity of chapter.—If any clause, sentence, paragraph, or part of this chapter shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid,

such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered. (Aug. 11, 1916, ch. 313, part C, § 32, 39 Stat. 491.)

§ 273. **Rights reserved.**—The right to amend, alter or repeal this chapter is hereby expressly reserved. (Aug. 11, 1916, ch. 313, part C, § 33, 39 Stat. 491.)

Chapter 11.—HONEYBEES

§ 281. **Importation of honeybees prohibited; exceptions.**—In order to prevent the introduction and spread of diseases dangerous to the adult honeybee, the importation into the United States of the honeybee (*Apis mellifica*) in its adult stage is hereby prohibited, and all adult honeybees offered for import into the United States shall be destroyed if not immediately exported: *Provided*, That such adult honeybees may be imported into the United States for experimental or scientific purposes by the United States Department of Agriculture: *And provided further*, That such adult honeybees may be imported into the United States from countries in which the Secretary of Agriculture shall determine that no diseases dangerous to adult honeybees exist, under rules and regulations prescribed by the Secretary of the Treasury and the Secretary of Agriculture. (Aug. 31, 1922, ch. 301, § 1, 42 Stat. 833.)

§ 282. **Punishment for unlawful importation.**—Any person who shall violate any of the provisions of this chapter shall be deemed guilty of a misdemeanor and shall, upon conviction thereof, be punished by a fine not exceeding \$500 or by imprisonment not exceeding one year, or both such fine and imprisonment, in the discretion of the court. (Aug. 31, 1944, ch. 301, § 2, 42 Stat. 834.)

§ 283. **Sale of surplus bee-breeding stock; disposition of moneys.**—The Secretary of Agriculture may propagate bee-breeding stock and distribute by sale stock surplus to research needs: *Provided*, That the rates at which such sales are made shall be fixed by regulations of the Secretary and the proceeds of such sales shall be covered into the Treasury as miscellaneous receipts. (Sept. 21, 1944, ch. 412, title I, § 103, 58 Stat. 735.)

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

Chapter 12.—ASSOCIATIONS OF PRODUCERS OF AGRICULTURAL PRODUCTS

§ 291. **Authorization of associations; powers generally.**—Persons engaged in the production of agricultural products as farmers, planters, ranchmen, dairymen, nut or fruit growers may act together in associations, corporate or otherwise, with or without capital stock, in collectively processing, preparing for market, handling, and marketing in interstate and foreign commerce, such products of persons so engaged. Such associations may have marketing agencies in common; and such associations

and their members may make the necessary contracts and agreements to effect such purposes: *Provided, however,* That such associations are operated for the mutual benefit of the members thereof, as such producers, and conform to one or both of the following requirements:

First. That no member of the association is allowed more than one vote because of the amount of stock or membership capital he may own therein, or,

Second. That the association does not pay dividends on stock or membership capital in excess of 8 per centum per annum.

And in any case to the following:

Third. That the association shall not deal in the products of nonmembers to an amount greater in value than such as are handled by it for members. (Feb. 18, 1922, ch. 57, § 1, 42 Stat. 388.)

CROSS REFERENCE

"Cooperative association of producers" defined, see section 2 of this title.

§ 292. Monopolizing or restraining trade and unduly enhancing prices prohibited; remedy and procedure.—If the Secretary of Agriculture shall have reason to believe that any such association monopolizes or restrains trade in interstate or foreign commerce to such an extent that the price of any agricultural product is unduly enhanced by reason thereof, he shall serve upon such association a complaint stating his charge in that respect, to which complaint shall be attached, or contained therein, a notice of hearing, specifying a day and place not less than thirty days after the service thereof, requiring the association to show cause why an order should not be made directing it to cease and desist from monopolization or restraint of trade. An association so complained of may at the time and place so fixed, show cause why such order should not be entered. The evidence given on such a hearing shall be taken under such rules and regulations as the Secretary of Agriculture may prescribe, reduced to writing, and made a part of the record therein. If upon such hearing the Secretary of Agriculture shall be of the opinion that such association monopolizes or restrains trade in interstate or foreign commerce to such an extent that the price of any agricultural product is unduly enhanced thereby, he shall issue and cause to be served upon the association an order reciting the facts found by him, directing such association to cease and desist from monopolization or restraint of trade. On the request of such association or if such association fails or neglects for thirty days to obey such order, the Secretary of Agriculture shall file in the district court in the judicial district in which such association has its principal place of business a certified copy of the order and of all the records in the proceeding, together with a petition asking that the order be enforced, and shall give notice to the Attorney General and to said association of such filing. Such district court shall thereupon have jurisdiction to enter a decree affirming, modifying, or setting aside said order, or enter such other decree as the court may deem equitable, and may make rules as to pleadings and proceedings to be had in considering such order. The place of trial may, for cause or by consent of parties, be changed as in other causes.

The facts found by the Secretary of Agriculture and recited or set forth in said order shall be prima facie evidence of such facts, but either party may adduce additional evidence. The Department of Justice shall have charge of the enforcement of such order. After the order is so filed in such district court and while pending for review therein the court may issue a temporary writ of injunction forbidding such association from violating such order or any part thereof. The court may, upon conclusion of its hearing, enforce its decree by a permanent injunction or other appropriate remedy. Service of such complaint and of all notices may be made upon such association by service upon any officer or agent thereof engaged in carrying on its business, or on any attorney authorized to appear in such proceeding for such association, and such service shall be binding upon such association, the officers, and members thereof. (Feb. 18, 1922, ch. 57, § 2, 42 Stat. 388.)

CROSS REFERENCE

"Cooperative association of producers" defined, see section 2 of this title.

Chapter 13.—AGRICULTURAL AND MECHANICAL COLLEGES AGRICULTURAL EXTENSION WORK APPROPRIATION

Farm Labor

For appropriation available for expenditure by agricultural extension services of the land-grant colleges to assist in providing a supply and distribution of farm labor for 1943, see sections 1351-1355 of Appendix to Title 50, War.

COLLEGE-AID LAND APPROPRIATION

§ 301. Land grant in aid of colleges generally.—There is granted to the several States, for the purposes hereinafter mentioned in sections 302-308 of this title, an amount of public land, to be apportioned to each State, a quantity equal to thirty thousand acres for each Senator and Representative in Congress to which the States are respectively entitled by the apportionment under the census of 1860: *Provided*, That no mineral lands shall be selected or purchased under the provisions of sections 301-308 of this title. (July 2, 1862, ch. 130, § 1, 12 Stat. 503.)

§ 302. Method of apportionment and selection; issuance of land scrip.—The land aforesaid, after being surveyed, shall be apportioned to the several States in sections or subdivisions of sections, not less than one-quarter of a section; and whenever there are public lands in a State subject to sale at private entry at \$1.25 per acre, the quantity to which said State shall be entitled shall be selected from such lands within the limits of such State, and the Secretary of the Interior is directed to issue to each of the States in which there is not the quantity of public lands subject to sale at private entry at \$1.25 per acre, to which said State may be entitled under the provisions of sections 301-308 of this title, land scrip to the amount in acres for the deficiency of its distributive share; said scrip to be sold by said States and the proceeds thereof applied to the uses and purposes prescribed in sections 301-308 of this title, and for no other use or purpose whatsoever: *Provided*, That in no case shall any State to which land scrip may thus be issued be allowed to locate the same within the limits of any other State, or of any Territory of the United States,

but their assignees may thus locate said land scrip upon any of the unappropriated lands of the United States subject to sale at private entry at \$1.25, or less, per acre: *And provided further*, That not more than one million acres shall be located by such assignees in any one of the States: *And provided further*, That no such location shall be made before July 2, 1863. (July 2, 1862, ch. 130, § 2, 12 Stat. 503.)

§ 303. **Expenses of management, etc., to be paid by State.**—All the expenses of management, superintendence, and taxes from date of selection of said lands, previous to their sales, and all expenses incurred in the management and disbursement of the moneys which may be received therefrom, shall be paid by the States to which they may belong, out of the treasury of said States, so that the entire proceeds of the sale of said lands shall be applied without any diminution whatever to the purposes hereinafter in sections 304-308 of this title mentioned. (July 2, 1862, ch. 130, § 3, 12 Stat. 504.)

§ 304. **Investment of proceeds of sale of land or scrip.**—All moneys derived from the sale of lands, as provided in section 302 of this title by the States to which lands are apportioned and from the sales of land scrip provided for in said section shall be invested in bonds of the United States or of the States or some other safe bonds; or the same may be invested by the States having no State bonds in any manner after the legislatures of such States shall have assented thereto and engaged that such funds shall yield a fair and reasonable rate of return, to be fixed by the State legislatures, and that the principal thereof shall forever remain unimpaired: *Provided*, That the moneys so invested or loaned shall constitute a perpetual fund, the capital of which shall remain forever undiminished (except so far as may be provided in section 305 of this title), and the interest of which shall be inviolably appropriated, by each State which may take and claim the benefit of sections 301-308 of this title, to the endowment, support, and maintenance of at least one college where the leading object shall be, without excluding other scientific and classical studies and including military tactics, to each such branches of learning as are related to agriculture and the mechanical arts, in such manner as the legislatures of the States may respectively prescribe, in order to promote the liberal and practical education of the industrial classes in the several pursuits and professions in life. (July 2, 1862, ch. 130, § 4, 12 Stat. 504; Mar. 3, 1883, ch. 102, 22 Stat. 484; Apr. 13, 1926, ch. 130, 44 Stat. 247.)

§ 305. **Conditions of grant.**—The grant of land and land scrip authorized in sections 301-304 of this title shall be made on the following conditions, to which, as well as to the provisions contained in sections 301-304 of this title, the previous assent of the several States shall be signified by legislative acts:

First. If any portion of the fund invested, as provided by section 304 of this title, or any portion of the interest thereon, shall, by any action or contingency, be diminished or lost, it shall be replaced by the State to which it belongs, so that the capital of the fund shall remain forever undiminished and the annual inter-

est shall be regularly applied without diminution to the purposes mentioned in section 304 of this title, except that a sum, not exceeding 10 per centum upon the amount received by any State under the provisions of sections 301-304 of this title, may be expended for the purchase of lands for sites or experimental farms, whenever authorized by the respective legislatures of said States.

Second. No portion of said fund, nor the interest thereon, shall be applied, directly or indirectly, under any pretense whatever, to the purchase, erection, preservation, or repair of any building or buildings.

Third. Any State which may take and claim the benefit of the provisions of sections 301-304 of this title shall provide, within five years from the time of its acceptance as provided in subdivision seven of this section, at least not less than one college, as described in section 304 of this title, or the grant to such State shall cease; and the said State shall be bound to pay the United States the amount received of any lands previously sold, and the title to purchases under the State shall be valid.

Fourth. An annual report shall be made regarding the progress of each college, recording any improvements and experiments made, with their cost and results, and such other matters, including State industrial and economical statistics, as may be supposed useful; one copy of which shall be transmitted by mail, by each, to all the other colleges which may be endowed under the provisions of sections 301-304 of this title, and also one copy to the Secretary of the Interior.

Fifth. When lands shall be selected from those which have been raised to double the minimum price, in consequence of railroad grants, they shall be computed to the States at the maximum price, and the number of acres proportionately diminished.

Sixth. No State while in a condition of rebellion or insurrection against the Government of the United States shall be entitled to the benefit of the provisions of sections 301-304 of this title.

Seventh. No State shall be entitled to the benefits of the provisions of sections 301-304 of this title unless it shall express its acceptance thereof by its legislature within three years from July 23, 1866: *Provided*, That when any Territory shall become a State and be admitted into the Union, such new State shall be entitled to the benefits of the provisions of sections 301-304 of this title, by expressing the acceptance therein required within three years from the date of its admission into the Union, and providing the college or colleges within five years after such acceptance, as heretofore prescribed in this chapter. (July 2, 1862, ch. 130, § 5, 12 Stat. 504; July 23, 1866, ch. 209, 14 Stat. 208; March 3, 1873, ch. 231, § 3, 17 Stat. 559.)

REPEAL

Paragraph fourth was repealed in part by act March 3, 1873, ch. 231, § 3, 17 Stat. 559, which provided in part: "That all laws and parts of laws permitting the transmission by mail of any free matter whatever be, and the same are hereby, repealed from and after June thirtieth, eighteen hundred and seventy-three."

Paragraph seventh formerly contained a proviso which read as follows: "*Provided further*, That any State which has prior to July 23, 1866, ex-

pressed its acceptance of the foregoing provisions of this chapter shall have the period of five years within which to provide at least one college, as described in the fourth section of said act, after the time for providing said college, according to the act of July second, eighteen hundred and sixty-two shall have expired."

§ 307. Fees for locating land scrip.—The land officers shall receive the same fees for locating land scrip issued under the provisions of sections 301-306 of this title as was on July 2, 1862, allowed for the location of military bounty land warrants under laws existing at that time: *Provided*, That their maximum compensation shall not be thereby increased. (July 2, 1862, ch. 130, § 7, 12 Stat. 505.)

§ 308. Reports by State governors of sale of scrip.—The governors of the several States to which scrip shall be issued under the provisions of sections 301-307 of this title shall be required to report annually to Congress all sales made of such scrip until the whole shall be disposed of, the amount received for the same, and what appropriation has been made of the proceeds. (July 2, 1862, ch. 130, § 8, 12 Stat. 505.)

COLLEGE-AID ANNUAL APPROPRIATION

§ 321. Secretary of Interior to administer annual college-aid appropriation.—The Secretary of Interior is hereby charged with the proper administration of sections 322-328 of this title. (Aug. 30, 1890, ch. 841, § 4, 26 Stat. 419.)

§ 322. Annual appropriation generally.—There is annually appropriated, out of any money in the Treasury not otherwise appropriated, to be paid as provided in section 324 of this title, to each State and Territory for the more complete endowment and maintenance of colleges for the benefit of agriculture and the mechanical arts established in accordance with the provisions of sections 301-308 and sections 321-328 of this title, 50,000 to be applied only to instruction in agriculture, the mechanic arts, the English language, and the various branches of mathematical, physical, natural, and economic science, with special reference to their applications in the industries of life, and to the facilities for such instruction: *Provided*, That said colleges may use a portion of this money for providing courses for the special preparation of instructors for teaching the elements of agriculture and the mechanic arts. (Aug. 30, 1890, ch. 841, § 1, 26 Stat. 417; Mar. 4, 1907, ch. 2907, 34 Stat. 1281, 1282.)

§ 323. Racial discrimination by colleges restricted.—No money shall be paid out under sections 321-328 of this title to any State or Territory for the support or maintenance of a college where a distinction of race or color is made in the admission of students, but the establishment and maintenance of such colleges separately for white and colored students shall be held to be a compliance with the provisions of sections 321-328 of this title if the funds received in such State or Territory be equitably divided as hereinafter set forth: *Provided*, That in any State in which there has been one college established in pursuance of sections 301-308 of this title, and also in which an educational institution of like character has been established, or may be hereafter established,

and is on August 30, 1890, aided by such State from its own revenue, for the education of colored students in agriculture and the mechanic arts, however named or styled, or whether or not it has received money prior to August 30, 1890, under sections 301-308 of this title, the legislature of such State may propose and report to the Secretary of the Interior a just and equitable division of the fund to be received under sections 321-328 of this title between one college for white students and one institution for colored students established as aforesaid, which shall be divided into two parts and paid accordingly, and thereupon such institution for colored students shall be entitled to the benefits of sections 321-328 of this title and subject to their provisions, as much as it would have been if it had been included under sections 301-308 of this title, and the fulfillment of the foregoing provisions shall be taken as a compliance with the provision in reference to separate colleges for white and colored students. (Aug. 30, 1890, ch. 841, § 1, 26 Stat. 417.)

§ 324. Time, manner, etc., of annual payments.—The sums appropriated by sections 322-328 of this title to the States and Territories for the further endowment and support of colleges shall be annually paid on or before the 31st day of July of each year, by the Secretary of the Treasury, upon the warrant of the Secretary of the Interior, out of the Treasury of the United States, to the State or Territorial treasurer, or to such officer as shall be designated by the laws of such State or Territory to receive the same, who shall, upon the order of the trustees of the college, or the institution for colored students, immediately pay over said sums to the treasurers of the respective colleges or other institutions entitled to receive the same, and such treasurers shall be required to report to the Secretary of Agriculture and to the Secretary of the Interior, on or before the 1st day of September of each year, a detailed statement of the amount so received and of its disbursement. The grants of moneys authorized by sections 322-328 of this title are made subject to the legislative assent of the several States and Territories to the purpose of said grants. (Aug. 30, 1890, ch. 841, § 2, 26 Stat. 418.)

§ 325. State to replace funds misapplied, etc.; restrictions on use of funds; reports by colleges.—If any portion of the moneys received by the designated officer of the State or Territory for the further and more complete endowment, support, and maintenance of colleges, or of institutions for colored students, as provided in sections 322-328 of this title, shall, by any action or contingency, be diminished or lost, or be misapplied, it shall be replaced by the State or Territory to which it belongs, and until so replaced no subsequent appropriation shall be apportioned or paid to such State or Territory; and no portion of said moneys shall be applied, directly or indirectly, under any pretense whatever, to the purchase, erection, preservation, or repair of any building or buildings. An annual report by the president of each of said colleges shall be made to the Secretary of Agriculture, as well as to the Secretary of the Interior, regarding the condition and progress of each college, including statistical information in relation to its receipts and expenditures, its library, the num-

ber of its students and professors, and also as to any improvements and experiments made under the direction of any experiment stations attached to said colleges, with their cost and results, and such other industrial and economical statistics as may be regarded as useful, one copy of which shall be transmitted by mail free to all other colleges further endowed under sections 322-328 of this title. (Aug. 30, 1890, ch. 841, § 3, 26 Stat. 418.)

§ 326. Ascertainment and certification of amounts due States; certificates withheld from States; appeal to Congress.—On or before the 1st day of July in each year, the Secretary of the Interior shall ascertain and certify to the Secretary of the Treasurer as to each State and Territory whether it is entitled to receive its share of the annual appropriation for colleges, or of institutions for colored students, under sections 322-328 of this title, and the amount which thereupon each is entitled respectively, to receive. If the Secretary of the Interior shall withhold a certificate from any State or Territory of its appropriation the facts and reasons therefor shall be reported to the President, and the amount involved shall be kept separate in the Treasury until the close of the next Congress, in order that the State or Territory may, if it should so desire, appeal to Congress from the determination of the Secretary of the Interior. If the next Congress shall not direct such sum to be paid it shall be covered into the Treasury. (Aug. 30, 1890, ch. 841, § 4, 26 Stat. 419.)

§ 327. Repealed May 29, 1928, ch. 901, § 1, 45 State. 986, 991.

Section, act Aug. 30, 1890, ch. 841, § 5, 26 Stat. 419, related to reports by Secretary of the Interior of disbursements and certificates withheld.

§ 328. Power to amend, repeal, etc., reserved.—Congress may at any time amend, suspend, or repeal any or all of the provisions of sections 322-328 of this title. (Aug. 30, 1890, ch. 841, § 6, 26 Stat. 419.)

RETIREMENT OF EMPLOYEES

§ 331. Retirement of land-grant college employees.—Pursuant to the recognized obligations of governments to guarantee the social security of their employees and in order to provide for the retirement on an annuity, or otherwise, of all persons being paid salaries in whole or in part from grants of Federal funds to the several States and Territories pursuant to the terms of sections 301-308 of this title for the endowment and support of colleges of agriculture and mechanic arts, and sections of this chapter supplementary thereto providing for instruction in agriculture and mechanic arts, for the establishment of agricultural experiment stations, and for cooperative extension work in agriculture and home economics, all States and Territories are hereafter authorized, notwithstanding any contrary provisions in this chapter, to withhold from expenditure, from Federal funds advanced under the terms of this chapter, amounts designated as employer contributions to be made by the States or Territories to retirement systems established in accordance with the laws of such States or Territories or established by the governing boards of colleges of agriculture and mechanic arts in accordance with the authority vested in them, and to deposit such amounts to the credit of such retirement systems for subsequent

disbursement in accordance with the terms of the retirement systems in effect in the respective States and Territories: *Provided*, That there shall not be deducted from Federal funds and deposited to the credit of retirement accounts as employer contributions, amounts in excess of 5 per centum of that portion of the salaries of employees paid from such Federal funds: *Provided further*, That, for the purpose of making deposits and contributions in retirement systems in favor of any employee, in no event shall the deductions from any Federal fund advanced pursuant to this chapter be in greater proportion to the total deductions for such employee than the salary received under such Federal funds bears to the total salary from Federal sources: *Provided further*, That the deposits and contributions from funds of Federal origin to any retirement system established by a State or a land-grant college must be at least equal by the total contributions thereto on the part of the individuals concerned, the State, and the counties: *And provided further*, That no deductions for the foregoing purposes shall be made from Federal funds in support of employees appointed pursuant to the terms of this chapter whose salaries are paid wholly by the States or Territories: *Provided further*, That the provisions of this section shall not apply to any employee paid in whole or in part from Federal funds who may be subject to sections 691, 693, 698, 706, 707, 709-715, 716-719, 720-731 of Title 5. (Mar. 4, 1940, ch. 38, 54 Stat. 39.)

AGRICULTURAL EXTENSION WORK APPROPRIATION

§ 341. **Cooperative extension work by colleges authorized.**—In order to aid in diffusing among the people of the United States useful and practical information on subjects relating to agriculture and home economics, and to encourage the application of the same, there may be inaugurated in connection with the college or colleges in each State receiving the benefits of the provisions of sections 301-308, 321-328 of this title, agricultural extension work which shall be carried on in cooperation with the United States Department of Agriculture: *Provided*, That in any State in which two or more such colleges have been or may be established the appropriations in section 343 hereinafter made to such State shall be administered by such college or colleges as the legislature of such State may direct: *Provided further*, That, pending the inauguration and development of the cooperative extension work herein authorized, nothing in sections 341-343, 344-348 of this title shall be construed to discontinue either the farm management work or the farmers' cooperative demonstration work as conducted May 8, 1914, by the Bureau of Plant Industry of the Department of Agriculture. (May 8, 1914, ch. 79, § 1, 38 Stat. 372.)

§ 342. **"Cooperative agricultural work" defined; cooperation with Secretary of Agriculture.**—Cooperative agricultural extension work shall consist of the giving of instruction and practical demonstrations in agriculture and home economics to persons not attending or resident in said colleges in the several communities, and imparting to such persons information on said subjects

through field demonstrations, publications, and otherwise; and this work shall be carried on in such manner as may be mutually agreed upon by the Secretary of Agriculture and the State agricultural college or colleges receiving the benefits of sections 341-343, 344-348 of this title. (May 8, 1914, ch. 79, § 2, 38 Stat. 373.)

§ 343. Appropriation for extension work generally; contribution by State.—For the purpose of paying the expenses of said cooperative agricultural extension work and the necessary printing and distributing of information in connection with the same, there is permanently appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$480,000 for each year, \$10,000 of which shall be paid annually, in the manner hereinafter provided, to each State which shall by action of its legislature assent to the provisions of sections 341-343, 344-348 of this title: *Provided*, That there is also permanently appropriated for each year the sum of \$4,100,000 in addition to the sum of \$480,000 hereinbefore provided: *Provided further*, That before the funds herein appropriated shall become available to any college for any fiscal year, plans for the work to be carried on under sections 341-343, 344-348 of this title shall be submitted by the proper officials of each college and approved by the Secretary of Agriculture. Such additional sum shall be used only for the purposes stated in section 342 of this title, and shall be allotted annually to each State by the Secretary of Agriculture and paid in the manner hereinbefore provided, in the proportion which the rural population of each State bears to the total rural population of all the States as determined by the next preceding Federal census: *Provided further*, That no payment out of the additional appropriation herein provided shall be made in any year to any State until an equal sum has been appropriated for that year by the legislature of such State, or provided by State, county, college, local authority, or individual contributions from within the State, for the maintenance of the cooperative agricultural extension work provided for in sections 341-343, 344-348 of this title. (May 8, 1914, ch. 79, § 3, 38 Stat. 373.)

CROSS REFERENCE

Increase of appropriation provided by this section to extend benefits to Hawaii, see section 386b of this title.

§ 343a. Additional appropriation for extension work; disposition.—In order to further develop the cooperative extension system as inaugurated under sections 341-343, 344-348 of this title, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the purpose of paying the expenses of the cooperative extension work in agriculture and home economics, and the necessary printing and distributing of information in connection with the same, the sum of \$980,000 for each year, \$20,000 of which shall be paid annually, in the manner hereinafter provided, to each State and the Territory of Hawaii which shall by action of its legislature assent to the provisions of this section. There is hereby authorized to be appropriated for the fiscal year following that in which the foregoing appropriation first becomes available, and for each year

thereafter, the sum of \$500,000. The additional sums appropriated under the provisions of this section shall be subject to the same conditions and limitations as the additional sums appropriated under section 343 of this title, except that (1) at least 80 per centum of all appropriations under this section shall be utilized for the payment of salaries of extension agents in counties of the several States to further develop the cooperative extension system in agriculture and home economics with men, women, boys, and girls; (2) funds available to the several States and the Territory of Hawaii under the terms of this section shall be so expended that the extension agents appointed under its provisions shall be men and women in fair and just proportions; (3) the restriction on the use of these funds for the promotion of agricultural trains shall not apply. (May 22, 1928, ch. 687, § 1, 45 Stat. 711; Mar. 10, 1930, ch. 73, 46 Stat. 83.)

CROSS REFERENCE

Alaska, extension of benefits to, see section 343e of this title.

§ 343b. Same; effect on other appropriations for same purpose.—The sums appropriated under the provisions of section 343a of this title shall be in addition to, and not in substitution for, sums appropriate under section 343 of this title, or sums otherwise annually appropriated for cooperative agricultural extension work. (May 22, 1928, ch. 687, § 2, 45 Stat. 712.)

CROSS REFERENCE

Alaska, extension of benefits to, see section 343e of this title.

§ 343c. Further additional appropriation for extension work.—In order to further develop the cooperative extension system as inaugurated under sections 341-343, 344-348 of this title, there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the purpose of paying the expenses of cooperative extension work in agriculture and home economics and the necessary printing and distribution of information in connection with the same, the sum \$8,000,000 for the fiscal year beginning after June 29, 1935, and for the fiscal year following the first fiscal year for which an appropriation is made in pursuance of the foregoing authorization the additional sum of \$1,000,000, and for each succeeding fiscal year thereafter an additional sum of \$1,000,000 until the total appropriations authorized by this section shall amount to \$12,000,000 annually, the authorization to continue in that amount for each succeeding fiscal year. The sums appropriated in pursuance of this section shall be paid to the several States and the Territory of Hawaii in the same manner and subject to the same conditions and limitations as the additional sums appropriated under section 343 of this title, except that (1) \$980,000 shall be paid to the several States and the Territory of Hawaii in equal shares; (2) the remainder shall be paid to the several States and the Territory of Hawaii in the proportion that the farm population ¹ of each

¹ So in original.

bears to the total farm population of the several States and the Territory of Hawaii, as determined by the last preceding decennial census, and (3) the several States and the Territory of Hawaii shall not be required to offset the allotments authorized in this section. The sums appropriated pursuant to this section shall be in addition to, and not in substitution for sums appropriated under such section 343 of this title, or sums otherwise appropriated for agricultural extension work. Allotments to any State or the Territory of Hawaii for any fiscal year from the appropriations herein authorized shall be available for payments to such State or the Territory of Hawaii only if such State or the Territory of Hawaii complies, for such fiscal year, with the provisions with reference to offset of appropriations (other than appropriations under this section) for agricultural extension work. (June 29, 1935, ch. 338, § 21, 49 Stat. 438.)

§ 343c-1. Same; additional appropriation.—There is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated, for the purpose of paying the expenses of cooperative extension work in agriculture and home economics and the necessary printing and distribution of information in connection with the same, the sum of \$555,000 annually. The sums appropriated pursuant to this section shall be allotted by the Secretary of Agriculture to the several States in such amounts as he may deem necessary, and shall be paid to the several States in the same manner and subject to the same conditions and limitations as the initial payments of \$10,000 to each State appropriated under sections 341-343, 344-348 of this title. The sums appropriated pursuant to this section shall be in addition to and not in substitution for sums appropriated under such sections 341-343, 344-348 of this title, as amended and supplemented, and sums otherwise appropriated for agricultural extension work: *Provided*, That the appropriations made pursuant to this authorization shall be apportioned to the States in accordance with the apportionment of the like sum in the fiscal year 1944. (Apr. 24, 1939, ch. 85, 53 Stat. 589; Sept. 21, 1944, ch. 412, title VII, § 707, 58 Stat. 742.)

AMENDMENTS

1944—Act Sept. 21, 1944, cited to text, amended section by striking out \$300,000 and inserting in lieu thereof \$550,000 immediately preceding the proviso in the first sentence, and by adding proviso to the first sentence.

CODIFICATION

This section was amended by the Department of Agriculture Organic Act of 1944.

§ 343d. Additional appropriation for agricultural colleges.—In order to provide for the more complete endowment and support of the colleges in the several States and the Territory of Hawaii entitled to the benefits of sections 301-308 of this title, there are authorized to be appropriated annually, out of any money in the Treasury not otherwise appropriated, the following amounts:

(a) For the fiscal year beginning after June 29, 1935, and for each fiscal year thereafter, \$980,000; and

(b) For the fiscal year following the first fiscal year for which

an appropriation is made in pursuance of paragraph (a) \$500,000, and for each of the two fiscal years thereafter \$500,000 more than the amount authorized to be appropriated for the preceding fiscal year, and for each fiscal year thereafter \$1,500,000. The sums appropriated in pursuance of paragraph (a) shall be paid annually to the several States and the Territory of Hawaii in equal shares. The sums appropriated in pursuance of paragraph (b) shall be in addition to sums appropriated in pursuance of paragraph (a) and shall be allotted and paid annually to each of the several States and the Territory of Hawaii in the proportion which the total population of each State and the Territory of Hawaii bears to the total population of all the States and the Territory of Hawaii, as determined by the last preceding decennial census. Sums appropriated in pursuance of this section shall be in addition to sums appropriated or authorized under sections 301-308 of this title, and shall be applied only for the purposes of the colleges defined in such sections. The provisions of law applicable to the use and payment of sums under sections 321-328 of this title, shall apply to the use and payment of sums appropriated in pursuance of this section. (June 29, 1935, ch. 338, § 22, 49 Stat. 439.)

§ 343e. Extension of benefits of section 343a to Alaska; appropriation.—The provisions of sections 343a and 343b of this title are hereby extended to the Territory of Alaska.

To carry into effect the provisions for extending to the Territory of Alaska, to the extent herein provided, the benefits of sections 343a, 343b of this title the following sums are hereby authorized to be appropriated: For the fiscal year ending June 30, 1937, \$2,500; for the fiscal year ending June 30, 1938, \$5,000; for the fiscal year ending June 30, 1939, \$7,500; for the fiscal year ending June 30, 1940, and annually thereafter, \$10,000: *Provided*, That no appropriations shall be made under this section until annually estimated as to funds and amounts by the Secretary of Agriculture, the estimates to be based upon his determination of the ability of the Territory of Alaska to make effective use of the funds: *And provided further*, That whereas sections 343a, 343b of this title provide that "at least 80 per centum of all appropriations under this act shall be utilized for the payment of salaries of extension agents in counties of the several States to further develop the cooperative extension system in agriculture and home economics with men, women, boys, and girls," the several established judicial divisions of the Territory of Alaska, as the same shall exist from time to time, shall be considered as counties for the purpose of complying with the provisions of this section until a subdivision of the Territory of Alaska into counties is effected. (June 20, 1936, ch. 631, §§ 1, 3, 49 Stat. 1553, 1554.)

§ 343f. Extension of benefits of section 343c to Puerto Rico.—The provisions of section 343c of this title are hereby extended to Puerto Rico in such amounts as are authorized in section 343g of this title without diminution of the amounts authorized for payment to the States and the Territory of Hawaii, as provided in section 343c of this title. (Aug. 28, 1937, ch. 878, § 1, 50 Stat. 881.)

§ 343g. Same; appropriation.—To carry into effect the provisions of section 343f of this title for extending to Puerto Rico, to the extent herein provided, the benefits of section 343c of this title, the following sums are hereby authorized to be appropriated: For the fiscal year beginning after August 28, 1937, \$88,000; for the fiscal year following the first fiscal year for which an appropriation is made in pursuance of the foregoing authorization, the additional sum of \$40,000; and for each succeeding fiscal year thereafter an additional sum of \$40,000 until the total appropriations authorized by this section shall amount to \$408,000 annually, the authorization to continue in that amount for each succeeding fiscal year. (Aug. 28, 1937, ch. 878, § 2, 50 Stat. 881.)

§ 344. Time and manner of payment; reports by State officers of receipts and disbursements.—The sums appropriated in section 343 of this title for extension work shall be paid in equal semi-annual payments on the 1st day of January and July of each year by the Secretary of the Treasury upon the warrant of the Secretary of Agriculture, out of the Treasury of the United States, to the treasurer or other officer of the State duly authorized by the laws of the State to receive the same; and such officer shall be required to report to the Secretary of Agriculture, on or before the 1st day of September of each year, a detailed statement of the amount so received during the previous fiscal year, and of its disbursement, on forms prescribed by the Secretary of Agriculture. (May 8, 1914, ch. 79, § 4, 38 Stat. 374.)

§ 345. State to replace funds misapplied, etc.; restrictions on use of funds; reports by colleges.—If any portion of the moneys received by the designated officer of any State for the support and maintenance of cooperative agricultural extension work, as provided in sections 341-343, 344-348 of this title, shall by any action or contingency be diminished or lost, or be misapplied, it shall be replaced by said State to which it belongs, and until so replaced no subsequent appropriation shall be apportioned or paid to said State, and no portion of said moneys shall be applied, directly or indirectly, to the purchase, erection, preservation, or repair of any building or buildings, or the purchase or rental of land, or in college-course teaching, lectures in colleges, promoting agricultural trains, or any other purpose not specified in sections 341-343, 344-348 of this title, and not more than 5 per centum of each annual appropriation shall be applied to the printing and distribution of publications. It shall be the duty of each of said colleges annually, on or before the 1st day of January, to make to the governor of the State in which it is located a full and detailed report of its operations in the direction of extension work as defined in sections 341-343, 344-348 of this title, including a detailed statement of receipts and expenditures from all sources for this purpose, a copy of which report shall be sent to the Secretary of Agriculture and to the Secretary of the Treasury of the United States. (May 8, 1914, ch. 79, § 5, 38 Stat. 374.)

§ 346. Ascertain and certification of amounts due States; certificates withheld from States; appeal to Congress.—On or before the 1st day of July in each year the Secretary of Agriculture shall ascertain and certify to the Secretary of the Treasury as to

each State whether it is entitled to receive its share of the annual appropriation for cooperative agricultural extension work under sections 341-343, 344-348 of this title, and the amount which it is entitled to receive. If the Secretary of Agriculture shall withhold a certificate from any State of its appropriation, the facts and reasons therefor shall be reported to the President, and the amount involved shall be kept separate in the Treasury until the expiration of the Congress next succeeding a session of the legislature of any State from which a certificate has been withheld, in order that the State may, if it should so desire, appeal to Congress from the determination of the Secretary of Agriculture. If the next Congress shall not direct such sum to be paid, it shall be covered into the Treasury. (May 8, 1914, ch. 79, § 6, 38 Stat. 374.)

§ 347. **Reports to Congress by Secretary of Agriculture.**—The Secretary of Agriculture shall make an annual report to Congress of the receipts, expenditures, and results of the cooperative agricultural extension work in all of the States receiving the benefits of sections 341-343, 344-348 of this title, and also whether the appropriation of any State has been withheld; and if so, the reasons therefor. (May 8, 1914, ch. 79, § 7, 38 Stat. 374.)

§ 348. **Power to amend, repeal, etc., reserved.**—Congress may at any time alter, amend, or repeal any or all of the provisions of sections 341-343, 344-348 of this title. (May 8, 1914, ch. 79, § 8, 38 Stat. 374.)

Chapter 14.—AGRICULTURAL EXPERIMENT STATIONS

GENERAL PROVISIONS

§ 361. **Secretary of Agriculture to administer chapter.**—The Secretary of Agriculture is charged with the proper administration of sections 361, 366, 369, 370, 371, 373-376, 380, 382 of this title. (Mar. 16, 1906, ch. 951, § 4, 34 Stat. 64; Feb. 24, 1925, ch. 308, § 4, 43 Stat. 971.)

CROSS REFERENCE

Alaska, extension of benefits to, see section 369a of this title.

§ 362. **Authorization of agricultural experiment stations; division of appropriation between colleges of same State.**—In order to aid in acquiring and diffusing among the people of the United States useful and practical information on subjects connected with agriculture, and to promote scientific investigation and experiment respecting the principles and applications of agricultural science, there shall be established, under direction of the college or colleges or agricultural department of colleges in each State or Territory established, or which hereafter may be established, in accordance with the provisions of sections 301-308 of this title, a department to be known and designated as an "agricultural experiment station": *Provided*, That in any State or Territory in which two such colleges have been or may be so established the appropriation hereinafter made in sections 363, 365, 368-368c, 371-379 of this title to such State or Territory shall be equally divided between such colleges, unless the legislature of such State or Territory shall otherwise direct. (Mar. 2, 1887, ch. 314, § 1, 24 Stat. 440.)

§ 363. General scope of researches and experiments.—It shall be the object and duty of agricultural experiment stations to conduct original researches or verify experiments on the physiology of plants and animals; the diseases to which they are severally subject, with the remedies for the same; the chemical composition of useful plants at their different stages of growth; the comparative advantages of rotative cropping as pursued under a varying series of crops; the capacity of new plants or trees for acclimation; the analysis of soils and water; the chemical composition of manures, natural or artificial, with experiments designed to test their comparative effects on crops of different kinds; the adaptation and value of grasses and forage plants; the composition and digestibility of the different kinds of food for domestic animals; the scientific and economic questions involved in the production of butter and cheese; and such other researches or experiments bearing directly on the agricultural industry of the United States as may in each case be deemed advisable, having due regard to the varying conditions and needs of the respective States or Territories. (Mar. 2, 1887, ch. 314, § 2, 24 Stat. 440.)

CROSS REFERENCE

Research into basic laws and principles relating to agriculture, see section 427 of this title.

§ 364. Examination of soils.—As far as practicable, all agricultural experiment stations shall devote a portion of their work to the examination and classification of the soils of their respective States and Territories, with a view to securing more extended knowledge and better development of their agricultural capabilities. (Mar. 2, 1889, ch. 373, 25 Stat. 840.)

§ 365. Issuance and mailing by stations of bulletins or reports; free postage.—Bulletins or reports of progress shall be published at agricultural experiment stations at least once in three months, one copy of which shall be sent to each newspaper in the States or Territories in which they are respectively located, and to such individuals actually engaged in farming as may request the same, and as far as the means of the station will permit. Such bulletins or reports and the annual reports of said stations shall be transmitted in the mails of the United States free of charge for postage, under such regulations as the Postmaster General may from time to time prescribe. (Mar. 2, 1887, ch. 314, § 4, 24 Stat. 441.)

§ 366. Annual reports by stations to governors.—It shall be the duty of agricultural experiment stations, annually, on or before the 1st day of February, to make to the governor of the State or Territory in which it is located a full and detailed report of its operations, including a statement of receipts and expenditures, a copy of which report shall be sent to each of said stations, to the Secretary of Agriculture, and to the Secretary of the Treasury of the United States. (Mar. 16, 1906, ch. 951, § 3, 34 Stat. 63; Feb. 24, 1925, ch. 308, § 3, 43 Stat. 971.)

CROSS REFERENCE

Alaska, extension of benefits to, see section 369a of this title.

§ 367 Secretary to prescribe form of financial report by stations and to coordinate departmental work with that of stations.—The Secretary shall prescribe the form of the annual financial statement required under this chapter, ascertain whether the expenditures are in accordance with their provisions, coordinate the research work of the State agricultural colleges and experiment stations in the lines authorized in this chapter with research of the Department in similar lines, and make report thereon to Congress. (June 25, 1940, ch. 421, § 1, 54 Stat. 536; July 1, 1941, ch. 267, § 1, 55 Stat. 412; July 22, 1942, ch. 516, § 1, 56 Stat. 670; July 12, 1943, ch. 215, § 1, 57 Stat. 400; June 28, 1944, ch. 296, § 1, 58 Stat. 432.)

AMENDMENTS

1943—Act July 12, 1943, cited to text, made several minor changes in the wording of the section without affecting its substance.

§ 368. General advice and assistance by Secretary.—In order to secure, as far as practicable, uniformity of methods and results in the work of agricultural experiment stations, it shall be the duty of the Secretary of Agriculture to furnish forms, as far as practicable, for the tabulation of results of investigation or experiments; to indicate, from time to time, such lines of inquiry as to him shall seem most important; and, in general, to furnish such advice and assistance as will best promote the purposes of sections 362, 363, 365, 368-368c, 377-379 of this title. (Mar. 2, 1887, ch. 314, § 3, 24 Stat. 441; July 14, 1890, ch. 707, 26 Stat. 288.)

§ 368a. Appropriations for investigations and experiments.—For the purpose of paying the necessary expenses of conducting investigations and experiments and printing and distributing the results as prescribed in sections 362, 363, 365, 368 of this title, the sum of fifteen thousand dollars per annum is hereby appropriated to each State, to be specially provided for by Congress in the appropriations from year to year, and to each Territory entitled under the provisions of section 378 of this title, out of any money in the Treasury proceeding from the sales of public lands, to be paid in equal quarterly payments, on the first day of January, April, July, and October in each year, to the treasurer or other officer duly appointed by the governing boards of said colleges to receive the same, the first payment to be made on the first day of October, eighteen hundred and eighty-seven: *Provided, however,* That out of the first annual appropriation so received by any station an amount not exceeding one-fifth may be expended in the erection, enlargement, or repair of a building or buildings necessary for carrying on the work of such station; and thereafter an amount not exceeding five per centum of such annual appropriation may be so expended. (Mar. 2, 1887, ch. 314, § 5, 24 Stat. 441.)

§ 368b. Legislative assent to grants.—The grants of moneys authorized by section 368a of this title are made subject to the legislative assent of the several States and Territories to the purposes of said grants. (Mar. 2, 1887, ch. 314, § 9, 24 Stat. 442.)

§ 368c. Suspension or repeal.—Nothing in sections 362, 363, 365, 368-368c, 377-379 of this title shall be held or construed as

binding the United States to continue any payments from the Treasury to any or all the States or institutions mentioned in such sections but Congress may at any time amend, suspend or repeal any or all the provisions of said sections. (Mar. 2, 1887, ch. 314, § 10, 24 Stat. 442.)

§ 369. **General annual appropriation for stations.**—There shall be annually appropriated, out of any money in the Treasury not otherwise appropriated, to be paid as provided in section 375 of this title, to each State and Territory, for the endowment and maintenance of agricultural experiment stations established prior to March 16, 1906, or which may thereafter be established in accordance with the provisions of sections 362, 365, 368-368c, 377-379 of this title, \$30,000, to be applied only to paying the necessary expenses of conducting original researches or experiments bearing directly on the agricultural industry of the United States, having due regard to the varying conditions and needs of the respective States or Territories. (Mar. 16, 1906, ch. 951, § 1, 34 State. 63.)

CROSS REFERENCE

Alaska, extension of benefits to, see section 369a of this title.

§ 369a. **Extension of other provisions to Alaska; appropriations.**—Sections 361, 366, 369, 370, 371, 373-376, 380, 382 of this title are hereby extended to the Territory of Alaska.

To carry into effect the provisions for extending to the Territory of Alaska to the extent herein provided, the benefits of sections 361, 366, 369, 370, 371, 373-376, 380, 382 of this title the following sums are hereby authorized to be appropriated: For the fiscal year ending June 30, 1937, \$5,000; for the fiscal year ending June 30, 1938, \$7,500; for the fiscal year ending June 30, 1939, \$10,000; for the fiscal year ending June 30, 1940, \$12,500; for the fiscal year ending June 30, 1941, \$15,000; for the fiscal year ending June 30, 1942, \$17,500; for the fiscal year ending June 30, 1943, \$20,000; for the fiscal year ending June 30, 1944, \$22,500; for the fiscal year ending June 30, 1945, \$27,500; for the fiscal year ending June 30, 1946, \$32,500; for the fiscal year ending June 30, 1947, \$37,500; and thereafter a sum equal to one-half of that provided for each State and Territory under sections 361, 366, 369, 370, 371, 373-376, 380, 382 of this title: *Provided*, That no appropriations shall be made under this section until annually estimated as to funds and amounts by the Secretary of Agriculture, the estimates to be based upon his determination of the ability of the Territory of Alaska to make effective use of the funds in maintaining agricultural experiment stations. (June 20, 1936, ch. 631, §§ 1, 2, 49 Stat. 1553, 1554.)

§ 370. **Additional appropriation.**—For the more complete endowment and maintenance of agricultural experiment stations, established prior to February 24, 1925, or which may thereafter be established, in accordance with the provisions of sections 362, 363, 365, 368-368c, 377-379 of this title there is hereby authorized to be appropriated, in addition to the amounts received on February 24, 1925, by such agricultural experiment stations the sum of \$60,000 for each fiscal year after June 30, 1930, to be paid

to each State and Territory; and the Secretary of Agriculture shall include the additional sums above authorized to be appropriated in the annual estimates of the Department of Agriculture, or in a separate estimate, as he may deem best. The funds appropriated pursuant to this section shall be applied only to paying the necessary expenses of conducting investigations or making experiments bearing directly on the production, manufacture, preparation, use, distribution, and marketing of agricultural products and including such scientific researches as have for their purpose the establishment and maintenance of a permanent and efficient agricultural industry, and such economic and sociological investigations as have for their purpose the development and improvement of the rural home and rural life, and for printing and disseminating the results of said researches. (Feb. 24, 1925, ch. 308, § 1, 43 Stat. 970.)

CROSS REFERENCE

Alaska, extension of benefits to, see section 369a of this title.

§ 371. Legislative assent to grant.—The grants of moneys authorized by sections 361, 366, 369, 370, 371, 373-376, 380, 382 of this title are made subject to the legislative assent of the several States and Territories to the purposes of said grants: *Provided*, That payment of such installments of the appropriations authorized in sections 361, 366, 369, 370, 371, 373-376, 380, 382 of this title to be made as shall become due to any State or Territory before the adjournment of the regular session of its legislature meeting next after February 24, 1925, shall be made upon the assent of the governor thereof duly certified to the Secretary of the Treasury. (Mar. 16, 1906, ch. 951, § 2, 34 Stat. 63; Feb. 24, 1925, ch. 308, § 2, 43 Stat. 971.)

CROSS REFERENCE

Alaska, extension of benefits to, see section 369a of this title.

§372. Governor's assent when legislature not in session.—As to such installments of the appropriations as may be due June 7, 1888, or may thereafter become due, when the legislature may not be in session, the governor of the State or Territory to be affected thereby may make the required assent, and upon a duly certified copy thereof to the Secretary of the Treasury he shall cause the same to be paid in the manner provided in section 362, 363, 365, 368-368c, 377-379 of this title until the termination of the next regular session of the legislature of such State or Territory. (June 7, 1888, ch. 373, 25 Stat. 176.)

CROSS REFERENCE

Assent by legislature when in session, see sections 368b, 371 of this title.

§ 373. Time and manner of payments; reports of expenditures to Secretary.—The sums by sections 361, 366, 369, 370, 373-376, 380, 382 of this title authorized to be appropriated to the States and Territories for the endowment and support of agricultural experiment stations shall be annually paid in equal quarterly payments on the 1st day of January, April, July, and October of each year by the Secretary of the Treasury upon a warrant of the Sec-

retary of Agriculture out of the Treasury of the United States, to the treasurer or other officer duly appointed by the governing boards of such agricultural experiment stations to receive the same and such officers shall be required to report to the Secretary of Agriculture on or before the 1st day of September of each year a detailed statement of the amount so received and of its disbursement on schedules prescribed by the Secretary of Agriculture. (Mar. 16, 1906, ch. 951, § 2, 34 Stat. 63; Feb. 24, 1925, ch. 308, § 2, 43 Stat. 971.)

CROSS REFERENCE

Alaska, extension of benefits to, see section 369a of this title.

§ 374. Replacement by State, etc., of moneys misapplied.—If any portion of the moneys received by the designated officer of any State or Territory for the endowment, support, and maintenance of agricultural experiment stations as provided in sections 361, 366, 369, 370, 371, 373-376, 380, 382 of this title shall by any action or contingency be diminished or lost or be misapplied, it shall be replaced by said State or Territory to which it belongs, and until so replaced no subsequent appropriation shall be apportioned or paid to such State or Territory. (Mar. 16, 1906, ch. 951, § 3, 34 Stat. 63; Feb. 24, 1925, ch. 308, § 3, 43 Stat. 971.)

CROSS REFERENCE

Alaska, extension of benefits to, see section 369a of this title.

§ 375. Use of funds for purchase, repairs, etc., of buildings, or for purchase or rental of lands, restricted.—No portion of the appropriation authorized by section 369 of this title exceeding 5 per centum of each annual appropriation shall be applied, directly or indirectly, under any pretense whatever, to the purchase, erection, preservation, or repair of any building or buildings, or to the purchase or rental of land. No portion of the appropriation authorized by section 370 of this title exceeding 10 per centum of each annual appropriation shall be applied directly or indirectly, under any pretense whatever, to the purchase, erection, preservation, or repair of any building or buildings or to the purchase or rental of land. (Mar. 16, 1906, ch. 951, § 3, 34 Stat. 63; Feb. 24, 1925, ch. 308, § 3, 43 Stat. 971.)

CROSS REFERENCE

Alaska, extension of benefits to, see section 369a of this title.

§ 376. Certification of amounts due States, etc.; withholding certificate; appeal to Congress.—On or before the 1st day of July in each year the Secretary of Agriculture shall ascertain and certify to the Secretary of the Treasury as to each State and Territory whether it is complying with the provisions of sections 361, 366, 369, 370, 371, 373-376, 380, 382 of this title and is entitled to receive its share of the annual appropriations for agricultural experiment stations under sections 361, 366, 369, 370, 371, 373-376, 380, 382 of this title and the amount which thereupon each is entitled, respectively, to receive. If the Secretary of Agriculture shall withhold from any State or Territory a certificate of its appropriations, the facts and reasons therefor shall be reported to the President and the amount involved shall be kept separate

in the Treasury until the close of the next Congress in order that the State or Territory may, if it shall so desire, appeal to Congress from the determination of the Secretary of Agriculture. If the next Congress shall not direct such sum to be paid, it shall be covered into the Treasury. (Mar. 16, 1906, ch. 951, § 4, 34 Stat. 64; Feb. 24, 1925, ch. 308, § 4, 43 Stat. 971.)

CROSS REFERENCE

Alaska, extension of benefits to, see section 369a of this title.

§ 377. Unexpended part of annual appropriation.—Whenever it shall appear to the Secretary of the Treasury from the annual statement of receipts and expenditures of any agricultural experiment station that a portion of the preceding annual appropriation remains unexpended, such amount shall be deducted from the next succeeding annual appropriation to such station, in order that the amount of money appropriated to any station shall not exceed the amount actually and necessarily required for its maintenance and support. (Mar. 2, 1887, ch. 314, § 6, 24 Stat. 441.)

CROSS REFERENCE

Withholding annual appropriations from States not complying with requirements, see section 376 of this title.

§ 378. Stations established separate from colleges; agricultural college given preference over other colleges.—In States having colleges entitled to the benefits of sections 362, 363, 365, 368-368c, 377-379 of this title and having also agricultural experiment stations established by law separate from said colleges, such States shall be authorized to apply such benefits to experiments at stations so established by such States; and in case any State shall have established under the provisions of sections 301-308 of this title an agricultural department or experiment station, in connection with any university, college, or institution not distinctly an agricultural college or school, and such State shall have established or shall hereafter establish a separate agricultural college or school, which shall have connected therewith an experimental farm or station, the legislature of such State may apply in whole or in part the appropriation by sections 362, 363, 368-368c, 377-379 of this title made, to such separate agricultural college or school, and no legislature shall by contract express or implied disable itself from so doing. (Mar. 2, 1887, ch. 314, § 8, 24 Stat. 441.)

§ 379. Relation of college to State, etc., unaffected.—Nothing in sections 362, 363, 365, 368-368c, 377-379 of this title shall be construed to impair or modify the legal relation existing between any of the colleges affected thereby and the government of the States or Territories in which they are respectively located. (Mar. 2, 1887, ch. 314, § 7, 24 Stat. 441.)

§ 380. Report to Congress by Secretary.—The Secretary of Agriculture shall make an annual report to Congress on the receipts and expenditures and work of the agricultural experiment stations in all of the States and Territories, and also whether the appropriation of any State or Territory has been withheld; and if so, the reason therefor. (Mar. 16, 1906, ch. 951, § 5, 34 Stat. 64; Feb. 24, 1925, ch. 308, § 5, 43 Stat. 972.)

CROSS REFERENCE

Alaska, extension of benefits to, see section 369a of this title.

§ 381. Expenditures by Secretary for administrative purposes.—The Secretary of Agriculture is hereby authorized to employ such assistants, clerks, and other persons as he may deem necessary, in the city of Washington and elsewhere, and to incur such other expenses for office fixtures and supplies, stationery, traveling, freight, and express charges, illustration of the Experiment Station Record, bulletins and reports, as he may find essential in carrying out the objects of sections 362, 363, 365, 368-368c, 377-379 of this title. (Mar. 2, 1901, ch. 805, 31 Stat. 935.)

§ 382. Power to amend, repeal, etc., reserved.—Congress may at any time amend, suspend, or repeal any and all of the provisions of sections 361, 366, 369, 370, 371, 373-376, 380, 382 of this title. (Mar. 16, 1906, ch. 951, § 6, 34 Stat. 64; Feb. 24, 1925, ch. 308, § 6, 43 Stat. 972.)

CROSS REFERENCE

Alaska, extension of benefits to, see section 369a of this title.

§ 383. Payment to Georgia Experiment Station authorized.—The Secretary of Agriculture is hereby authorized and directed to certify to the Secretary of the Treasury for payment, and the Secretary of the Treasury is authorized and directed to pay all appropriations to the Georgia Experiment Station, authorized by sections 361, 362, 363, 365, 366, 368-368c, 369, 371, 373-380, 382 of this title in accordance with the Act of the General Assembly of Georgia, approved December 29, 1888, establishing the Georgia Experiment Station, and the Act of August 18, 1906 (Georgia laws, 1906, p. 1161): *Provided*, That nothing herein shall be construed as limiting the authority of the Secretary of Agriculture over and respecting the supervision of the operation of the said Georgia Experiment Station as set forth in sections 361, 362, 363, 365, 366, 368-368c, 369, 371, 373-380, 382 of this title. (Oct. 1, 1918, ch. 178, 40 Stat. 998.)

§ 384. Card index of agricultural literature; copies to be furnished by Secretary.—The Secretary of Agriculture may furnish to such institutions or individuals as may care to buy them copies of the card index of agricultural literature prepared by the Department of Agriculture in connection with its administration of sections 361, 362, 363, 365, 366, 368-368c, 369, 371, 373-380, 382 of this title, and charge for the same a price covering the additional expenses involved in the preparation of these copies, the money received from such sales to be deposited in the Treasury of the United States as miscellaneous receipts. (Mar. 4, 1915, ch. 144, 38 Stat. 1109.)

§ 385. South Carolina Experiment Station; cooperation by Secretary of Agriculture; lump appropriation.—There is hereby authorized to be appropriated the sum of \$50,000 to enable the Secretary of Agriculture to cooperate with the South Carolina Agricultural Experiment Station and/or other agencies in making investigations and experiments in dairying and livestock industries and of the problems pertaining to the establishment and development of such industries, including cropping systems, soil

improvement, and farm organization studies of such industries, and for demonstration, assistance, and service in developing the agriculture of the Sand Hill region of the Southeast. (Mar. 3, 1927, ch. 367, § 1, 44 Stat. 1397.)

§ 385a. **Same; annual appropriation.**—There is hereby authorized to be appropriated each fiscal year necessary appropriations to enable the Secretary of Agriculture to carry on the cooperative experiments contemplated by section 385 of this title. (Mar. 3, 1927, ch. 367, § 2, as added Feb. 4, 1928, ch. 24, 45 Stat. 57.)

§ 386. **Hawaii experiment station; establishment; how conducted; buildings and equipment.**—Beginning with the fiscal year ending June 30, 1929, the Territory of Hawaii shall be entitled to share in the benefits of sections 301-308, 341-343, 344-348, 362, 363, 365, 368-368c, 377-379 of this title: *Provided*, That the experiment station so established shall be conducted jointly and in collaboration with the existing Federal experiment station in Hawaii in enlarging and expanding the work of the said Federal station on cooperative plans approved by the Secretary of Agriculture; and the Secretary of Agriculture shall coordinate the work of the Territorial station with that of the Federal station and of the United States Department of Agriculture in the islands: *Provided further*, That the Territory of Hawaii shall make provision for such additional buildings and permanent equipment as may be necessary for the development of the work. (May 16, 1928, ch. 575, § 1, 45 Stat. 571.)

§ 386a. **Same; appropriations.**—To carry into effect the provisions in section 386 of this title for extending to Hawaii the benefits of this chapter, in the order and amounts designated by the sections therein, the following sums are hereby authorized to be appropriated in addition to the amounts appropriated to the Department of Agriculture for use in Hawaii: \$30,000 for the fiscal year ending June 30, 1936; \$50,000 for the fiscal year ending June 30, 1937; \$60,000 for the fiscal year ending June 30, 1938; \$70,000 for the fiscal year ending June 30, 1939; \$80,000 for the fiscal year ending June 30, 1940; and \$90,000 for the fiscal year ending June 30, 1941, and thereafter a sum equal to that provided for each State and Territory for agricultural experiment stations established under sections 362, 363, 365, 368-368c, 377-379 of this title. (May 16, 1928, ch. 575, § 2, 45 Stat. 572.)

§ 386b. **Same; increase of appropriations provided for in section 343.**—The permanent annual appropriations provided for in section 343 of this title are hereby authorized to be increased by an amount necessary to carry out the provisions of section 386 of this title but without diminishing or increasing the amount which any State is entitled to under the provisions of said section 343. (May 16, 1928, ch. 575, § 3, 45 Stat. 572.)

§ 386c. **Alaska experiment stations; agricultural extension work.**—Sections 341-343, 344-348 and sections 362, 363, 365, 368-368c, and 377-379 of this title, are extended to the Territory of Alaska: *Provided*, That no appropriations shall be made under this section until annually estimated as to funds and amounts by the Secretary of Agriculture; the estimates to be based upon his

determination of the ability of the Territory of Alaska to make effective use of the funds.

With the approval of the Secretary of Agriculture, agricultural experiment substations, to the number of not more than two, may be maintained under the provisions of sections 362, 363, 365, 368-368c, 377-379 of this title. (Feb. 23, 1929, ch. 299, 45 Stat. 1256.)

§ 386d. Puerto Rico experiment station; establishment; coordination of stations.—Beginning with the fiscal year ending June 30, 1933, the Territory of Puerto Rico shall be entitled to share in the benefits of sections 341-343, 344-348, 362, 363, 365, 368-368c, 377-379 of this title: *Provided*, That the experiment station so established shall be connected with the College of Agriculture of the University of Puerto Rico and it shall be conducted jointly and in collaboration with the existing Federal experiment station in Puerto Rico in enlarging and expanding the work of the said Federal station on cooperative plans approved by the Secretary of Agriculture; and the Secretary of Agriculture shall coordinate the work of the Territorial stations with that of the Federal station and of the United States Department of Agriculture in the island: *Provided further*, That the several experiment stations now conducted by the insular government shall be transferred to and coordinated with the experiment station of the College of Agriculture of the University of Puerto Rico, together with whatever funds that are available for the support of the same, and the Secretary of Agriculture may at his discretion transfer such land, buildings, and equipment as he may deem necessary to the experiment station of the College of Agriculture of the University of Puerto Rico, *Provided further*, That the Territory of Puerto Rico shall make provision for such additional buildings and permanent equipment as may be necessary for the development of the work. (Mar. 4, 1931, ch. 499, § 1, 46 Stat. 1520; May 17, 1932, ch. 190, 47 Stat. 158.)

§ 386e. Same; appropriation.—To carry into effect the provisions of section 386d of this title for extending to Puerto Rico the benefits of sections 362, 363, 365, 368-368c, 377-379 of this title in the order and amounts designated by the provisions of said sections, the following sums are hereby authorized to be appropriated in addition to the amounts appropriated to the Department of Agriculture for use in Puerto Rico; \$30,000 for the fiscal year ending June 30, 1936; \$35,000 for the fiscal year ending June 30, 1937; \$40,000 for the fiscal year ending June 30, 1938; \$45,000 for the fiscal year ending June 30, 1939; \$50,000 for the fiscal year ending June 30, 1940; \$60,000 for the fiscal year ending June 30, 1931¹; \$70,000 for the fiscal year ending June 30, 1932; \$80,000 for the fiscal year ending June 30, 1943; and \$90,000 for the fiscal year ending June 30, 1944, and thereafter a sum equal to that provided for each State and Territory for agricultural experiment stations established under sections 362, 363, 365, 368-368c, 377-379 of this title. (Mar. 4, 1931, ch. 499, § 2, 46 Stat. 1520; May 17, 1932, ch. 190, 47 Stat. 158.)

¹ So in original. Probably should read "1941."

§ 386f. Same; increase in appropriation under section 343a.—The permanent annual appropriations provided for in section 343 of this title are authorized to be increased by an amount necessary to carry out the provisions of section 386d of this title, but without diminishing or increasing the amount to which any State or the Territory of Hawaii is entitled under the provisions of said section 343: *Provided*, That for the fiscal year 1933 the total amount available to the Territory of Puerto Rico under the terms of section 343 of this title, shall be \$50,000, this amount to be increased by \$10,000 annually, or such part thereof as may be necessary, until the total to which Puerto Rico is entitled under the provisions of this section and section 386e of this title is reached. Participation in other Federal appropriations for cooperative extension work, including those authorized by section 343a of this title, shall be at such times and in such amounts as shall be estimated by the Secretary of Agriculture and appropriated by the Congress. (Mar. 4, 1931, ch. 499, § 3, 46 Stat. 1521; May 17, 1932, ch. 190, 47 Stat. 158.)

§ 386g. Transfer or sale of property of Alaska, Guam, and Virgin Islands stations.—The Secretary of Agriculture is authorized to transfer to any Government department or establishment or to local authorities or institutions such property and/or equipment of the experiment stations in Alaska, Guam, and the Virgin Islands or to sell the same at public or private sale. (July 7, 1932, ch. 443, § 1, 47 Stat. 614.)

EXPERIMENT STATIONS FOR PROPAGATION OF TREES, SHRUBS, VINES AND VEGETABLES

§ 387. Station for semi-arid or dry-land regions; establishment.—The Secretary of Agriculture is hereby authorized and directed to cause such shade, ornamental, fruit, and shelter-belt trees, shrubs, vines, and vegetables as are adapted to the conditions and needs of the semi-arid or dry-land regions of the United States, to be propagated at an experiment station of the Department of Agriculture to be established at or near Cheyenne, Wyoming, and seedlings and cuttings and seeds of such trees, shrubs, vines, and vegetables to be distributed free of charge under such regulations as he may prescribe for experimental and demonstration purposes within the semi-arid or dry-land regions of the United States. (Mar. 19, 1928, ch. 228, § 1, 45 Stat. 323.)

§ 387a. Annual appropriations.—There is hereby authorized to be appropriated each fiscal year necessary appropriations to enable the Secretary of Agriculture to carry on the experiments contemplated by section 387 of this title. (Mar. 19, 1928, ch. 228, § 3, 45 Stat. 323.)

§ 388. Station for southern Great Plains area; establishment.—The Secretary of Agriculture is hereby authorized and directed to cause such shade, ornamental, fruit, and shelter-belt trees, shrubs, and vines as are adapted to the conditions and needs of the southern Great Plains area, comprised of those parts of the States of Colorado, Nebraska, Kansas, Texas, Oklahoma, and New Mexico lying west of the ninety-eighth meridian and each of the

five thousand-foot contour line, to be propagated at one of the existing field stations of the Department of Agriculture in such area, and seedlings and cuttings and seeds of such trees, shrubs, and vines to be distributed free of charge under such regulations as he may prescribe for experimental and demonstration purposes within such area. Apr. 16, 1928, ch. 377, § 1, 45 Stat. 430.)

§ 388a. **Annual appropriations.**—There is hereby authorized to be appropriated each fiscal year necessary appropriations to enable the Secretary of Agriculture to carry on the experiments contemplated by section 388 of this title. (Apr. 16, 1928, ch. 377, § 3, 45 Stat. 431.)

Chapter 15.—BUREAU OF ANIMAL INDUSTRY

CROSS REFERENCES

Animals, meats, and meat and dairy products, see section 71 et seq. of Title 21, Food and Drugs.

Packers and stockyards, see section 181 et seq. of this title.

§ 391. **Establishment of bureau; appointment of chief; general duties.**—There shall be in the Department of Agriculture a Bureau of Animal Industry. The Secretary of Agriculture is authorized to appoint a chief thereof, who shall be a competent veterinary surgeon, and whose duty it shall be to investigate and report upon the condition of the domestic animals and live poultry of the United States, their protection and use, and also inquire into and report the causes of contagious, infectious, and communicable diseases among them, and the means for the prevention and cure of the same, and to collect such information on these subjects as shall be valuable to the agricultural and commercial interests of the country. (May 29, 1884, ch. 60, § 1, 23 Stat. 31; July 14, 1890, ch. 707, 26 Stat. 288; Feb. 7, 1928, ch. 30, 45 Stat. 59.)

§ 392 **Sale or exchange of animals not needed; disposition of moneys.**—The Secretary of Agriculture is authorized to sell in the open market or to exchange for other breeding animals or animal products to the best advantage, without the usual condemnation proceedings and public auction, such animals or animal products produced or purchased under the appropriations made by Congress for the use of the Bureau of Animal Industry as may not be needed in the work of that bureau: *Provided*, That all moneys received from the sale of such animals or animal products or as a bonus in the exchange of the same, shall be deposited in the Treasury as miscellaneous receipts. (Aug. 10, 1912, ch. 284, 7 Stat. 274.)

CROSS REFERENCE

Sale or exchange of animals or animal products no longer needed, see section 549 of Title 5, Executive Departments and Government Officers and Employees.

§ 393. **Sale of pathological and zoological specimens; disposition of money.**—The Secretary of Agriculture is authorized to prepare and sell at cost such pathological and zoological specimens as he may deem of scientific or educational value to scientists or others engaged in the work of hygiene and sanitation: *Provided*, That all moneys received from the sale of such specimens shall be de-

posited in the Treasury as miscellaneous receipts. (Mar. 4, 1913, ch. 145, 37 Stat. 833.)

TRANSFER OF FUNCTIONS

Bureau of Animal Industry consolidated with certain other agencies into Agricultural Research Administration for duration of war, see Ex. Ord. No. 9069, set out in note under section 601 of Appendix to Title 50, War.

The functions of the Bureau of Animal Industry of Agricultural Research Administration concerned primarily with regulatory activities were consolidated with other agencies into the Food Distribution Administration of the Department of Agriculture by Ex. Ord. No. 9280, Dec. 5, 1942, 7 F.R. 10179, set out following section 514 of Title 5, Executive Departments and Government Officers and Employees.

§ 394. Overtime of employees engaged in enforcement of Meat Inspection Act.—The Secretary of Agriculture is authorized, in his discretion, to pay employees of the Bureau of Animal Industry employed in establishments subject to the provisions of section 95 of Title 21, for all overtime work performed at such establishments, at such rates as he may determine, and to accept from such establishments wherein such overtime work is performed reimbursement for any sums paid out by him for such overtime work. (July 24, 1919, ch. 26, 41 Stat. 241.)

TRANSFER OF FUNCTIONS

Bureau of Animal Industry consolidated with certain other agencies into Agricultural Research Administration for duration of war, see Ex. Ord. No. 9069, set out in note under section 601 of Appendix to Title 50, War.

The functions of the Bureau of Animal Industry of Agricultural Research Administration concerned primarily with regulatory activities were consolidated with other agencies into the Food Distribution Administration of the Department of Agriculture by Ex. Ord. No. 9280, Dec. 5, 1942, 7 F.R. 10179, set out following section 514 of Title 5, Executive Departments and Government Officers and Employees.

CROSS REFERENCE

War Overtime Pay Act of 1943, construction with, see section 1406 of Appendix to Title 50, War.

§ 395. Fees for rabies diagnoses; disposition of moneys.—Fees shall be charged for all diagnoses in connection with rabies, except those performed for agencies of the United States Government, in such amounts as the Secretary shall prescribe, and such fees shall be covered into the Treasury as miscellaneous receipts. (Sept. 21, 1944, ch. 412, title I, § 101 (e), 58 Stat. 734.)

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

Chapter 16.—BUREAU OF DAIRYING

§ 401. Establishment of bureau.—There is established in the Department of Agriculture a bureau to be known as the "Bureau of Dairying." (May 29, 1924, ch. 208, § 1, 43 Stat. 243.)

§ 402. Chief of bureau; appointment and duties.—A Chief of the Bureau of Dairying shall be appointed by the Secretary of Agriculture, who shall be subject to the general direction of the Secretary of Agriculture. He shall devote his time to the investigation of the dairy industry, and the dissemination of information for the promotion of the dairy industry. (May 29, 1924, ch. 208, § 2, 43 Stat. 243.)

§ 403. Transfer of activities of Department of Agriculture to bureau; employment of clerks, etc.—For the purpose of enabling the Secretary of Agriculture and the Chief of the Bureau of Dairying to carry out the purposes of this chapter, the Secretary of Agriculture is hereby authorized to transfer to the Bureau of Dairying such activities of the Department of Agriculture as he may designate which relate primarily to the dairy industry, and to employ such additional persons in the city of Washington and elsewhere, as may be necessary. (May 29, 1924, ch. 208, § 3, 43 Stat. 243.)

§ 404. Appropriation for bureau authorized.—For the purpose of carrying out the provisions of this chapter and the activities of the Bureau of this chapter and the activities of the Bureau of Dairying, such sums of money as Congress may deem necessary are hereby authorized to be appropriated. (May 29, 1924, ch. 208, § 4, 43 Stat. 243.)

NAME OF BUREAU

The "Bureau of Dairying" established by act May 29, 1924, cited to text, was designated "Bureau of Dairy Industry" by Department of Agriculture Appropriation Act of 1927. Words "Bureau of Dairying" in text should be changed to "Bureau of Dairying Industry" and "May 11, 1926, ch. 286, 44 Stat. 499" should be added to credit.

TRANSFER OF FUNCTIONS

Bureau of Dairy Industry consolidated with other agencies into Agricultural Research Administration for duration of war, see Ex. Ord. No. 9069, set out in note under section 601 of Appendix to Title 50, War.

Chapter 17.—MISCELLANEOUS MATTERS

§ 411. Establishment of Bureau of Agricultural Economics; transfer of powers.—The powers conferred prior to May 11, 1922, and the duties imposed by law on the Bureau of Markets, Bureau of Markets and Crop Estimates, and the Office of Farm Management and Farm Economics of the Department of Agriculture shall be exercised and performed by the Bureau of Agricultural Economics. (May 11, 1922, ch. 185, 42 Stat. 532.)

NOTE.—Act of June 30, 1914, 38 Stat. 436 transferred the Bureau of Statistics of the Department of Agriculture to the Bureau of Crop Estimates, and Act of Mar. 3, 1921, 41 Stat. 1343, transferred the Bureau of Statistics and the Bureau of Crop Estimates of the Department of Agriculture to the Bureau of Markets and Crop Estimates.

TRANSFER OF FUNCTIONS

Agricultural Statistics Division of the Agricultural Marketing Service and its functions, personnel, property, etc., transferred to Bureau of Agricultural Economics for duration of war, see Ex. Ord. No. 9069, set out in note under section 601 of Appendix to Title 50, War.

The functions, personnel and property of the Division of Farm Management and Costs of the Bureau of Agricultural Economics concerned primarily with the planning of current agricultural production were consolidated with other agencies into the Food Production Administration of the Department of Agriculture by Ex. Ord. No. 9280, Dec. 5, 1942, 7 F. R. 10179, set out following section 514 of Title 5, Executive Departments and Government Officers and Employees.

§ 411a. Monthly crop report; contents issuance; approval by Secretary of Agriculture.—The monthly crop report, which shall be gathered as far as practicable from practical farmers, shall be

printed and distributed on or before the twelfth day of each month, and shall embrace statements of the conditions of crops by States, in the United States, with such explanations, comparisons, and information as may be useful for illustrating the above matter, and it shall be submitted to and officially approved by the Secretary of Agriculture before being issued or published. (Mar. 4, 1909, ch. 301, 35 Stat. 1053; Mar. 4, 1917, ch. 179, 39 Stat. 1157.)

§ 411b. Estimates of apple production.—Estimates of apple production shall be confined to the commercial crop. (June 30, 1939, ch. 253, title I, 53 Stat. 968; June 25, 1940, ch. 421, § 1, 54 Stat. 555.)

REPEATED.—Act July 1, 1941, ch. 267, § 1, 55 Stat. 430; act July 22, 1942, ch. 516, § 1, 56 Stat. 687; act July 12, 1943, ch. 215, § 1, 57 Stat. 398.

§ 414. Investigation and certification of condition, etc., of farm products offered for interstate shipment; reimbursement of employees for use of private vehicles.—The Secretary, independently and in cooperation with other branches of the Government, State agencies, purchasing and consuming organizations, boards of trade, chambers of commerce, or other associations of businessmen or trade organizations, and persons or corporations engaged in the production, transportation, marketing, and distribution of farm and food products, whether operating in one or more jurisdictions, is authorized to investigate and certify to shippers and other interested parties the class, quality, and condition of cotton, tobacco, fruits, and vegetables, whether raw, dried, or canned, poultry, butter, hay, and other perishable farm products when offered for interstate shipment or when received at such important central markets as the Secretary may from time to time designate, or at points which may be conveniently reached therefrom under such rules and regulations as he may prescribe, including payment of such fees as will be reasonable and as nearly as may be to cover the cost for the service rendered: *Provided*, That officers and employees who, under proper authorization, use privately owned motor vehicles in the performance of official travel within the corporate limits of their official stations for the purpose of inspecting and grading farm and food products and the supervision thereof at points located within the said corporate limits may be reimbursed for such travel at a rate not to exceed 3 cents per mile: *Provided further*, That certificates issued by the authorized agents of the Department shall be received in all courts of the United States as prima facie evidence of the truth of the statements therein contained. (June 25, 1940, ch. 421; § 1, 54 Stat. 555; July 1, 1941, ch. 267, § 1, 55 Stat. 431; July 22, 1942, ch. 516, § 1, 56 Stat. 687; July 12, 1943, ch. 215, § 1, 57 Stat. 421; June 28, 1944, ch. 296, § 1, 58 Stat. 453.)

§ 415. Purchase of seeds and plants for distribution.—Purchase and distribution by the Secretary of Agriculture of vegetable, field, and flower seeds, plants, shrubs, vines, bulbs, and cuttings shall be of the freshest and best obtainable varieties, and adapted to general cultivation. (R. S. § 527; Apr. 25, 1896, ch. 140, 29 Stat. 106.)

§ 415a. Wool and mohair; sale of practical forms of grades.—Practical forms of the grades recommended or promulgated by the Secretary for wool and mohair may be sold under such rules and regulations as he may prescribe, and the receipts therefrom deposited in the Treasury to the credit of miscellaneous receipts. (June 16, 1938, ch. 464, title I, 52 Stat. 739.)

SIMILAR PROVISIONS

Text of this section was taken from the Department of Agriculture Appropriation Act, 1939. Similar provisions were contained in the following acts:

- 1937—June 29, 1937, ch. 404, 50 Stat. 424.
- 1936—June 4, 1936, ch. 489, 49 Stat. 1450.
- 1935—May 17, 1935, ch. 131, title I, § 1, 49 Stat. 275.
- 1934—Mar. 26, 1934, ch. 89, 48 Stat. 493.
- 1933—Mar. 3, 1933, ch. 203, 47 Stat. 1458.
- 1932—July 7, 1932, ch. 443, 47 Stat. 636.
- 1931—Feb. 23, 1931, ch. 278, 46 Stat. 1268.
- 1930—May 27, 1930, ch. 341, 46 Stat. 418.
- 1929—Feb. 16, 1929, ch. 227, 45 Stat. 1212.
- 1928—May 16, 1928, ch. 572, 45 Stat. 561.
- 1927—Jan. 18, 1927, ch. 39, 44 Stat. 997.

§ 415b. Wool standards; appropriation of certain funds.—There is hereby authorized to be appropriated for expenditure by the Secretary of Agriculture, for the purposes stated in section 415c of this title, all funds heretofore or hereafter collected by suit, or otherwise, pursuant to appropriations for the completion of the work of the domestic wool section of the War Industries Board, and for enforcing Government regulations for handling the wool clip of 1918 as established by the wool division of said board, pursuant to the Executive order dated December 31, 1918, transferring such work to the Bureau of Markets, now a part of the Bureau of Agricultural Economics of the Department of Agriculture, and for continuing as far as practicable the distribution among the growers of the wool clip of 1918 of all sums heretofore or hereafter collected or recovered with or without suit by the Government from all persons, firms, or corporations which handled any part of the wool clip of 1918, which he finds it impracticable to distribute among said growers, provided that not to exceed \$50,000 may be expended in any fiscal year. (May 17, 1928, ch. 602, § 1, 45 Stat. 593.)

§ 415c. Same; use made of funds; charge for wool grading and forms of grades.—The funds referred to in section 415b of this title may be used for the purpose of acquiring and diffusing among the people of the United States useful information relative to the standardization, grading, preparation for market, marketing, utilization, transportation, handling, and distribution of wool, and of approved methods and practices relative thereto, including the demonstration and promotion of the use of grades for wool in accordance with standards therefor which the Secretary of Agriculture is hereby authorized to establish. Said funds may be used for the grading of wool, and for such grading or other service rendered hereunder reasonable fees may be charged, and *Provided further*, That hereafter reasonable charges may be made for practical forms of grades for wool. (May 17, 1928, ch. 602, § 2, 45 Stat. 593.)

§ 415d. Same; rules and regulations; deposit of receipts.—The Secretary of Agriculture may make such rules and regulations as he deems advisable for carrying out any of the provisions of sections 415a and 415b of this title. All receipts hereunder shall be deposited in the Treasury to the credit of miscellaneous receipts. (May 17, 1928, ch. 602, § 3, 45 Stat. 594.)

§ 415e. Farm or food products; sale of samples, practical forms, etc.—The Secretary of Agriculture is authorized to sell samples, illustrations, practical forms, or sets of the grades recommended or promulgated by him for farm or food products, under such rules and regulations as he may prescribe, and the receipts therefrom shall be deposited in the Treasury to the credit of miscellaneous receipts. (Sept. 21, 1944, ch. 412, title IV, § 401 (a), 58 Stat. 738.)

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

§ 416. Letting contract for packing, etc., of seeds, etc., for distribution.—The Secretary of Agriculture, after due advertisement and on competitive bids, is authorized to award the contract for the supplying of printed packets and envelopes and the packaging, assembling, and mailing of the seeds, bulbs, shrubs, vines, cuttings, and plants, or any part thereof, for a period of not more than five years nor less than one year, if by such action he can best protect the interests of the United States. (May 11, 1922, ch. 185, 42 Stat. 517.)

§ 417. Distribution of farmers' bulletins.—In the distribution of farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an equal proportion of four-fifths shall be delivered to or sent out under the addressed franks furnished by Senators, Representatives, and Delegates in Congress, as such Senators, Representatives, or Delegates shall direct: *Provided*, That the Secretary of Agriculture shall notify Senators, Representatives, and Delegates in Congress of the title and character of each such bulletin, with the total number to which each Senator, Representative, and Delegate may be entitled for such distribution; and on the face of the envelope inclosing said bulletins shall be printed the title of each bulletin contained therein: *Provided further*, That all such bulletins included in the quotas of Senators, Representatives, or Delegates not called for on or before the 31st day of May in each fiscal year shall revert to the Secretary of Agriculture, and be available to him, either for miscellaneous distribution, or in making up congressional quotas for the next fiscal year. (June 30, 1906, ch. 3913, 34 Stat. 690.)

§ 418. Annual report by Secretary on work of agricultural experiment stations and of college extension work; publication and distribution.—There shall be prepared by the Department of Agriculture an annual report on the work and expenditures of the agricultural experiment stations established under sections 362, 363, 365, 368-368c, 377-379 of this title, on the work and expenditures of the Department of Agriculture in connection

therewith, and on the cooperative agricultural extension work and expenditures of the Department of Agriculture and of agricultural colleges under sections 341-343, 344-348 of this title, and there shall be printed annually eight thousand copies of said report, of which one thousand copies shall be for the use of the Senate, two thousand copies for the use of the House of Representatives, and five thousand copies for the use of the Department of Agriculture. (Mar. 4, 1915, ch. 144, 38 Stat. 1110.)

§ 419. Sale by Secretary of Agriculture of products of agricultural experiment station in Puerto Rico; disposition of moneys.—The Secretary is authorized to sell such products as are obtained on the land belonging to the agricultural experiment station in Puerto Rico, and the amount obtained from the sale thereof shall be covered into the Treasury of the United States as miscellaneous receipts. (June 25, 1940, ch. 421, § 1, 54 Stat. 536; July 1, 1941, ch. 267, § 1, 55 Stat. 413; July 22, 1942, ch. 516, § 1, 56 Stat. 670; July 12, 1943, ch. 215, § 1, 57 Stat. 400; June 28, 1944, ch. 296, § 1, 58 Stat. 432.)

§ 420. Power to administer oaths, examine witnesses, or require production of books, etc.—In the performance of the duties required of the Bureau of Agricultural Economics in the administration or enforcement of provisions of Acts (United States Cotton Futures Act, chapter 14 of Title 26; United States Grain Standards Act, chapter 3 of this title; United States Warehouse Act, chapter 10 of this title; Standard Container Act, Title 15, sections 251-256 and the Acts making annual appropriations for the Department of Agriculture) relating to the Department of Agriculture, the Secretary of Agriculture, or any representative specifically authorized in writing by him for the purpose, shall have power to administer oaths, examine witnesses, and call for the production of books and papers. (July 24, 1919, ch. 26, 41 Stat. 267; May 11, 1922, ch. 185, 42 Stat. 532.)

§ 421. Dairying and livestock experiment station, Mandan, North Dakota.—The Secretary of Agriculture is authorized and directed to establish at Mandan, North Dakota, a dairying and livestock experiment station, in connection with the Great Plains Experiment Station, for investigations and experiments in the dairy and livestock industries and the problems pertaining to the establishment and development of such industries, and for demonstrations, assistance, and service in livestock breeding, growing, and feeding. (July 3, 1926, ch. 769, § 1, 44 Stat. 840.)

§ 421a. Same; appropriation.—

This section, act July 3, 1926, ch. 769, § 2, 44 Stat. 840, appropriated \$25,000 to effectuate the purposes of section 421 of this title.

§ 422. Dairying and livestock experiment station, Lewisburg, Tennessee.—The Secretary of Agriculture is authorized and directed to establish at or near Lewisburg, Tennessee, a dairying station for investigations, experiments, and demonstrations in the dairy industry, and the problems pertaining to the development of such industry in the South, and for investigations, demonstrations, assistance, and service in dairy live stock breeding, growing, and feeding, and dairy products manufacture. (May 29, 1928, ch. 892, § 1, 45 Stat. 981.)

§ 422a. **Same; appropriations.**—There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$50,000, to carry out the provisions of section 422 of this title, including the construction of buildings, the acquirement of equipment and apparatus, the purchase of livestock, and the employment of necessary persons; and each fiscal year thereafter necessary appropriations for the maintenance of said station as contemplated by section 422 of this title: *Provided*, That suitable lands are furnished by the State or other interests. (May 29, 1928, ch. 892, § 2, 45 Stat. 981.)

§ 423. **Cotton; investigation of new uses; cooperation with State and other agencies.**—The Secretary of Agriculture and the Secretary of Commerce are hereby authorized to engage in technical and scientific research in American-grown cotton and its byproducts and their present and potential uses, including new and additional commercial and scientific uses for cotton and its byproducts, and to diffuse such information among the people of the United States; and the Secretary of Agriculture and the Secretary of Commerce or their duly authorized representatives may cooperate with any department or agency of the Government, and State, Territory, District, or possession or department, agency, or political subdivision thereof, or any person in carrying out the purposes of this section in the District of Columbia and elsewhere. (Apr. 12, 1928, ch. 362, 45 Stat. 426.)

§ 424. **Cotton ginning investigations; publication of results; cooperation with Federal and State departments and agencies.**—The Secretary of Agriculture is hereby authorized to investigate the ginning of cotton; to establish and maintain experimental ginning plants and laboratories; and to make such tests, demonstrations, and experiments, and such technical and scientific studies in relation to cotton ginning as he shall deem necessary and to publish the results thereof, with a view to developing improved ginning equipment and encouraging the use of improved methods, and he may cooperate with any department or agency of the Government, any State, Territory, District, or possession, or department, agency, or political subdivision thereof, or any person, as he shall find to be necessary. (Apr. 19, 1930, ch. 203, § 1, 46 Stat. 248.)

§ 425. **Same; appropriations.**—For the purposes of section 424 of this title there is hereby authorized to be appropriated, after June 30, 1931, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary. (Apr. 19, 1930, ch. 203, § 2, 46 Stat. 248.)

§ 426. **Predatory and other wild animals; eradication and control; investigations, experiments, and tests by Secretary of Agriculture; cooperation with other agencies.**—The Secretary of Agriculture is hereby authorized and directed to conduct such investigations, experiments, and tests as he may deem necessary in order to determine, demonstrate, and promulgate the best methods of eradication, suppression, or bringing under control on national forests and other areas of the public domain as well as on State, Territory, or privately owned lands of mountain

lions, wolves, coyotes, bobcats, prairie dogs, gophers, ground squirrels, jack rabbits, and other animals injurious to agriculture, horticulture, forestry, animal husbandry, wild game animals, furbearing animals, and birds, and for the protection of stock and other domestic animals through the suppression of rabies and tularemia in predatory or other wild animals; and to conduct campaigns for the destruction or control of such animals: *Provided*, That in carrying out the provisions of this section, the Secretary of Agriculture may cooperate with States, individuals, and public and private agencies, organizations, and institutions. (Mar. 2, 1931, ch. 370, § 1, 46 Stat. 1468.)

TRANSFER OF FUNCTIONS

Functions of Secretary of Agriculture administered through the Bureau of Biological Survey, relating to conservation of wildlife, game, and migratory birds were transferred to Secretary of Interior by Reorg. Plan No. II, § 4 (f), effective July 1, 1939, set out in note under section 133t of Title 5, Executive Departments and Government Officers and Employees. See also sections 401-404 of said plan for provisions relating to transfer of functions, records, property, personnel, and funds.

§ 426a. **Same; appropriations.**—In order to carry out the provisions of section 426 of this title there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year 1932, a sum not to exceed \$1,000,000, including the amount appropriated in the annual appropriation Act for the Department of Agriculture, and for the succeeding nine fiscal years from 1933 to 1941, inclusive, not to exceed \$1,000,000 each year, in accordance with the ten-year program for the eradication, suppression, or bringing under control of predatory and other injurious wild animals as outlined in House Document Numbered 496, second session, Seventieth Congress. (Mar. 2, 1931, ch. 370, § 2, 46 Stat. 1469.)

§ 426b. **Same; expenditures; execution of functions by Secretary.**—The Secretary of Agriculture is authorized to make such expenditures for equipment, supplies, and materials, including the employment of persons and means in the District of Columbia and elsewhere, and to employ such means as may be necessary to execute the functions imposed upon him by section 426 of this title. (Mar. 2, 1931, ch. 370, § 3, 46 Stat. 1469.)

§ 427. **Agricultural research; duties of Secretary of Agriculture.**—The Secretary of Agriculture is authorized and directed to conduct research into laws and principles underlying basic problems of agriculture in its broadest aspects; research relating to the improvement of the quality of, and the development of new and improved methods of production of, distribution of, and new and extended uses and markets for, agricultural commodities and by products and manufactures thereof; and research relating to the conservation, development, and use of land and water resources for agricultural purposes. Research authorized under this section shall be in addition to research provided for under existing law (but both activities shall be coordinated so far as practicable) and shall be conducted by such agencies of the Department of Agriculture as the Secretary may designate or establish. (June 29, 1935, ch. 338, § 1, 49 Stat. 436.)

§ 427a. **Same; research by experiment stations.**—The Secretary is also authorized and directed to encourage research similar to that authorized under section 427 of this title to be conducted by agricultural experiment stations established or which may hereafter be established in pursuance of section 362 of this title, by the allotment and payment as provided in section 427d of this title to Puerto Rico and the States and Territories for the use of such experiment stations of sums appropriated therefor pursuant to sections 427-427g of this title. (June 29, 1935, ch. 338, § 2, 49 Stat. 437.)

CROSS REFERENCE

Agricultural experiment stations, see section 361 et seq. of this title.

§ 427b. **Same; appropriation.**—For the purposes of sections 427-427g of this title there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$1,000,000 for the fiscal year beginning after June 29, 1935, and for each of the four fiscal years thereafter \$1,000,000 more than the amount authorized for the preceding fiscal year, and \$5,000,000 for each fiscal year thereafter. Moneys appropriated in pursuance of sections 427-427g of this title shall also be available for the purchase and rental of land and the construction of buildings necessary for conducting research provided for in sections 427-427g of this title, for the equipment and maintenance of such buildings, and for printing and disseminating the results of research. Sums appropriated in pursuance of sections 427-427g of this title shall be in addition to, and not in substitution for, appropriations for research or other activities of the Department of Agriculture and sums appropriated or otherwise made available for agricultural experiment stations. (June 29, 1935, ch. 338, § 3, 49 Stat. 437.)

§ 427c. **Same; allocation of appropriation for purposes of section 427; "Special research fund, Department of Agriculture."**—Forty per centum of the sum appropriated for any fiscal year under section 427b of this title shall be available for the purposes of section 427 of this title: *Provided*, That not to exceed 2 per centum of the sums appropriated may be used for the administration of section 427d of this title. The sums available for the purposes of section 427 of this title shall be designated as the "Special research fund, Department of Agriculture", and no part of such special fund shall be used for the prosecution of research heretofore instituted or for the prosecution of any new research project except upon approval in writing by the Secretary. One-half of such special research fund shall be used by the Secretary for the establishment and maintenance of research laboratories and facilities in the major agricultural regions at places selected by him and for the prosecution, in accordance with section 427 of this title, of research at such laboratories. (June 29, 1935, ch. 338, § 4, 49 Stat. 437.)

§ 427d. **Same; allocation of appropriation for purposes of section 427a.**—(a) Sixty per centum of the sums appropriated for any fiscal year under section 427b of this title shall be available for the purposes of section 427a of this title. The Secretary shall

allot, for each fiscal year for which an appropriation is made, to Puerto Rico and each State and Territory an amount which bears the same ratio to the total amount to be allotted as the rural population of Puerto Rico or the State or Territory bears to the rural population of Puerto Rico and all the States and Territories as determined by the last preceding decennial census. No allotment and no payment under any allotment shall be made for any fiscal year in excess of the amount which Puerto Rico or the State or Territory makes available for such fiscal year out of its own funds for research and for the establishment and maintenance of necessary facilities for the prosecution of such research. If Puerto Rico or any State or Territory fails to make available for such purposes for any fiscal year a sum equal to the total amount to which it may be entitled for such year, the remainder of such amount shall be withheld by the Secretary. The total amount so withheld may be allotted by the Secretary of Agriculture to Puerto Rico and the States and Territories which make available for such year an amount equal to that part of the total amount withheld which may be allotted to them by the Secretary of Agriculture, but no such additional allotment to Puerto Rico or any State or Territory shall exceed the original allotment to Puerto Rico or such State or Territory for that year by more than 20 per centum thereof.

(b) The sums authorized to be allotted to Puerto Rico and the States and Territories shall be paid annually in quarterly payments on July 1, October 1, January 1, and April 1. Such sums shall be paid by the Secretary of the Treasury upon warrant of the Secretary of Agriculture in the same manner and subject to the same administrative procedure set forth in sections 362, 363, 365, 368-368c, 377-379 of this title.

(c) In order to prevent reduced allotments because of changes in relative rural populations, \$63,708 of the funds appropriated for any fiscal year and available for the purposes of this section shall be available for allotment during the fiscal year in the same amount and to the same States and Territories which received allotments from such appropriation in the fiscal year 1942. (June 29, 1935, ch. 338, § 5, 49 Stat. 437; Sept. 21, 1944, ch. 412, title I, § 105, 58 Stat. 735.)

AMENDMENTS

1944—Subsec. (c) added by act Sept. 21, 1944, cited to text.

CODIFICATION

This section was amended by the Department of Agriculture Organic Act of 1944.

§ 427e. Same; "Territory" defined.—As used in sections 427-427g of this title the term "Territory" means Alaska and Hawaii. (June 29, 1935, ch. 338, § 6, 49 Stat. 438.)

§ 427f. Same; rules and regulations.—The Secretary of Agriculture is authorized and directed to prescribe such rules and regulations as may be necessary to carry out sections 343c, 343d and 427-427g of this title. (June 29, 1935, ch. 338, § 7, 49 Stat. 438.)

§ 427g. Same; right to repeal, amend, etc., reserved.—The right to alter, amend, or appeal sections 343c, 343d and 427-427f of this title is expressly reserved. (June 29, 1935, ch. 338, § 8, 49 Stat. 438.)

§ 428. Option to purchase lands.—The Secretary of Agriculture is authorized to expend from appropriations available for the purchase of lands not to exceed \$1 for each option to purchase any particular tract or tracts of land. (June 25, 1940, ch. 421, § 1, 54 Stat. 532.)

CROSS REFERENCES

Adjustment of title to lands under jurisdiction of Secretary of Agriculture, see section 567 of Title 5, Executive Departments and Government Officers and Employees.

§ 429. Improvement of poultry, poultry products, and hatcheries.—The Secretary of Agriculture is authorized to cooperate with State authorities in the administration of regulations for the improvement of poultry, poultry products, and hatcheries. (Sept 21, 1944, ch. 412, title I, § 101 (b), 58 Stat. 734.)

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

APPROPRIATIONS

Section 101 (g) of act Sept. 21, 1944, cited to text, provided that Congress may appropriate such funds as are necessary to accomplish the purpose of this section.

§ 430. Purchasing and testing of serums or analogous products; dissemination of test results.—The Secretary of Agriculture may purchase in the open market from applicable appropriations samples of all tuberculin, serums, antitoxins, or analogous products, of foreign or domestic manufacture, which are sold in the United States, for the detection, prevention, treatment, or cure of diseases of domestic animals, test the same, and disseminate the results of said tests in such manner as he may deem best. (Sept. 21, 1944, ch. 412, title I, § 101 (d), 58 Stat. 734.)

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

APPROPRIATIONS

Section 101 (g) of act Sept. 21, 1944, cited to text, provided that Congress may appropriate such funds as are necessary to accomplish the purpose of this section.

§ 431. Purchase of tags, labels, stamps, and certificates.—The Secretary of Agriculture is authorized to expend appropriations for meat inspection for the purchase of printed tags, labels, stamps, and certificates without regard to existing laws applicable to public printing. (Sept. 21, 1944, ch. 412, title I, § 101 (f), 58 Stat. 734.)

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

APPROPRIATIONS

Section 101 (g) of act Sept. 21, 1944, cited to text, provided that Congress may appropriate such funds as are necessary to accomplish the purpose of this section.

§ 432. Purchase of cultures for soil and fertilizer investigations.—The Secretary of Agriculture may purchase from applicable appropriations cultures in the open market for use in connection with soil and fertilizer investigations. (Sept. 21, 1944, ch. 412, title I, § 104, 58 Stat. 735.)

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

Chapter 18.—COOPERATIVE MARKETING ACT

TRANSFER OF FUNCTIONS AND CHANGES IN NAMES

EX. ORD. NO. 5200. TRANSFER OF DIVISION OF COOPERATIVE MARKETING TO

THE FEDERAL FARM BOARD

Promulgated Oct. 1, 1929

I, Herbert Hoover, President of the United States of America, under the authority conferred upon me by paragraph (e) of Section 13 of Agricultural Marketing Act approved June 15, 1929, entitled "An Act To establish a Federal Farm Board to promote the effective merchandising of agricultural commodities in interstate and foreign commerce, and to place agriculture on a basis of economic equality with other industries," and by virtue of all other powers thereto me enabling, do hereby transfer from the Department of Agriculture to the jurisdiction and control of Federal Farm Board the whole of the Division of Cooperative Marketing in the Bureau of Agricultural Economics of the Department of Agriculture, all functions pertaining to the work and services of such division, its records, property, including office equipment, personnel, and unexpended balances of appropriation, pertaining to such work or services. The Division of Cooperative Marketing above referred to is created and authorized by "An Act To create a division of cooperative marketing in the Department of Agriculture; to provide for the acquisition and dissemination of information pertaining to cooperation; to promote the knowledge of cooperative principles and practices; to provide for calling advisers to counsel with the Secretary of Agriculture on cooperative activities; to authorize cooperative associations to acquire, interpret, and disseminate crop and market information, and for other purposes", approved July 2, 1926. The transfer above mentioned shall be effective from and including October 1st, 1929.

EX. ORD. NO. 6034. REORGANIZING AGRICULTURAL CREDIT AGENCIES OF THE UNITED STATES

Promulgated Mar. 27, 1933

Whereas sections 401 and 403 of Title IV of Part II of the Legislative Appropriation Act, fiscal year 1933, as amended by an act of Congress approved March 3, 1933, provide:

SEC. 401. The Congress hereby declares that a serious emergency exists by reason of the general economic depression; that it is imperative to reduce drastically governmental expenditures; and that such reduction may be accomplished in great measure by proceeding immediately under the provisions of this title.

Accordingly, the President shall investigate the present organization of all executive and administrative agencies of the Government and shall determine what changes therein are necessary to accomplish the following purposes:

(a) To reduce expenditures to the fullest extent consistent with the efficient operation of the Government.

(b) To increase the efficiency of the operations of the Government to the fullest extent practicable within the revenues;

(c) To group, coordinate, and consolidate executive and administrative agencies of the Government, as nearly as may be, according to major purposes;

(d) To reduce the number of such agencies by consolidating those having similar functions under a single head, and by abolishing such agencies

and/or such functions thereof as may not be necessary for the efficient conduct of the Government;

(e) To eliminate overlapping and duplication of effort; and

(f) To segregate regulatory agencies and functions from those of an administrative and executive character.

SEC. 403. Whenever the President, after investigation, shall find and declare that any regrouping, consolidation, transfer, or abolition of any executive agency or agencies and/or the functions thereof is necessary to accomplish any of the purposes set forth in section 401 of this title, he may by Executive order—

(a) Transfer the whole or any part of any executive agency and/or the functions thereof to the jurisdiction and control of any other executive agency;

(b) Consolidate the functions vested in any executive agency; or

(c) Abolish the whole or any part of any executive agency and/or the functions thereof; and

(d) Designate and fix the name and functions of any consolidated activity or executive agency and the title, powers, and duties of its executive head; except that the President shall not have authority under this title to abolish or transfer an executive department and/or all the functions thereof.

Now, therefore, pursuant to the authority so vested in me, and after investigation, it is found and declared that the following changes in executive agencies and the functions thereof are necessary to accomplish the purposes set forth in section 401 above recited, and it is hereby ordered that:

(1) The functions of the Secretary of Agriculture as a member of the Federal Farm Board, and the offices of the appointed members of the Federal Farm Board, except the office of the member designated as chairman thereof, are abolished.

(2) The name of the Federal Farm Board is changed to the Farm Credit Administration.

(3) The name of the office of Chairman of the Federal Farm Board is changed to Governor of the Farm Credit Administration, and he is vested with all the powers and duties of the Federal Farm Board.

(4) The functions of the Secretary of the Treasury as a member of the Federal Farm Loan Board, and the offices of the appointed members of the Federal Farm Loan Board, except the office of the member designated as farm loan commissioner, are abolished, and all the powers and functions of the Federal Loan Board are transferred to and vested in the farm loan commissioner, subject to the jurisdiction and control of the Farm Credit Administration as herein provided.

(5) There are transferred to the jurisdiction and control of the Farm Credit Administration:

(a) The Federal Farm Loan Bureau and the functions thereof; together with the functions of the Federal Farm Loan Board, including the functions of the Farm Loan Commissioner;

(b) The functions of the Treasury Department and the Department of Agriculture, and the Secretaries thereof, under Executive authorizations to give aid to farmers, dated July 26, 1918, and any extensions or amendments thereof;

(c) The functions of the Secretary of Agriculture under all provisions of law relating to the making of advances or loans to farmers, fruit growers, producers and owners of livestock and crops, and to individuals for the purpose of assisting in forming or increasing the capital stock of agricultural-credit corporations, livestock-loan companies, or like organizations, except Public Resolution No. 74, Seventieth Congress, approved December 21, 1928, providing for the Puerto Rican Hurricane Relief Commission;

(d) The Crop Production Loan Office and the Seed Loan Office of the Department of Agriculture, and the functions thereof;

(e) The functions of the Reconstruction Finance Corporation and its Board of Directors relating to the appointment of officers and agents to manage regional agricultural credit corporations formed under section 201 (e) of the Emergency Relief and Construction Act of 1932; relating to the establishment of rules and regulations for such management; and relating to the approval of loans and advances made by such corporations and of the terms and conditions thereof.

(6) The functions vested in the Federal Farm Board by section 11 of the Agricultural Marketing Act are abolished, except that such functions shall continue to be exercised to such extent and for such time as may be necessary to permit the orderly winding up of the activities of stabilization corporations heretofore recognized under authority of such section, and the Governor of the Farm Credit Administration shall take appropriate action for winding up at the earliest practicable date the activities of such corporations and all affairs related to the exercise of such functions.

(7) The records, property (including office equipment), and personnel used and employed in the execution of the functions hereinbefore transferred are transferred to the jurisdiction and control of the Farm Credit Administration.

(8) The sum of \$2,000,000 of the unexpended balances of appropriations made to the Federal Farm Board by Public Resolutions No. 43 and No. 51 of the Seventy-second Congress shall be impounded and returned to the Treasury, which sum shall be in addition to the other savings to be effected by the Farm Credit Administration as a result of this order.

(9) The unexpended balances of appropriations to the Secretary of Agriculture, the Federal Farm Loan Bureau, and the Federal Farm Board for salaries, expenses, and all other administrative expenditures in the execution of the functions herein vested in the Farm Credit Administration shall be transferred to and vested in the Farm Credit Administration as a single fund for its use for salaries, expenses, and all other administrative expenditures for the execution of any or all of such functions without restriction as to the particular functions for the execution of which the same were originally appropriated. All other appropriations, allotments, and other funds available for use in connection with the functions and executive agencies hereby transferred and consolidated are hereby transferred to and vested in the Farm Credit Administration, and shall be available for use by it, for the same purposes as if the Farm Credit Administration were named in the law or authority providing such appropriations, allotments, or other funds.

(10) All power, authority, and duties conferred by law upon any officer, executive agency, or head thereof, from which or from whom transfer is hereinbefore made, in relation to the executive agency or function transferred, are transferred to and vested in the Governor of the Farm Credit Administration.

(11) The Governor of the Farm Credit Administration is directed to dismiss, furlough, transfer, or make other appropriate disposition of such of the officers and employees under his jurisdiction and control as are not required for the proper execution of the functions of the Farm Credit Administration.

(12) The Governor of the Farm Credit Administration is authorized to execute any and all functions and perform any and all duties vested in him through such persons as he shall by order designate or employ.

(13) The Governor of the Farm Credit Administration, by order or rules and regulations, may consolidate, regroup, and transfer offices, bureaus, activities, and functions in the Farm Credit Administration, so far as may be required to carry out the purposes to which this order is directed, and may fix or change the names of such offices, bureaus, and activities and the duties, powers, and titles of their executive heads.

This order shall take effect upon the sixty-first calendar day after its transmission to Congress unless otherwise determined in accordance with the provisions of section 407 of the act cited above, as amended.

§ 451. Division of cooperative marketing; definitions.—When used in this chapter the term “agricultural products” means agricultural, horticultural, viticultural, and dairy products, livestock and the products thereof, the products of poultry and bee raising, the edible products of forestry, and any and all products raised or produced on farms and processed or manufactured products thereof, transported or intended to be transported in interstate and/or foreign commerce. (July 2, 1926, ch. 725, § 1, 44 Stat. 802.)

§ 452. **Establishment of division.**—The Governor of the Farm Credit Administration is hereby authorized and directed to establish a division of cooperative marketing with suitable personnel in the Farm Credit Administration. Such division shall be under the direction and supervision of the Governor of the Farm Credit Administration. (July 2, 1926, ch. 725, § 2, 44 Stat. 802; Ex. Ord. No. 5200, Oct. 1, 1929; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 453. **Authority and duties of division.**—(a) The division shall render service to associations of producers of agricultural products, and federations and subsidiaries thereof, engaged in the cooperative marketing of agricultural products, including processing, warehousing, manufacturing, storage, the cooperative purchasing of farm supplies, credit, financing, insurance, and other cooperative activities

(b) The division is authorized—

(1) To acquire, analyze, and disseminate economic, statistical, and historical information regarding the progress, organization, and business methods of cooperative associations in the United States and foreign countries.

(2) To conduct studies of the economic, legal, financial, social, and other phases of cooperation, and publish the results thereof. Such studies shall include the analyses of the organization, operation, financial and merchandising problems of cooperative associations.

(3) To make surveys and analyses if deemed advisable of the accounts and business practices of representative cooperative associations upon their request; to report to the association so surveyed the results thereof; and with the consent of the association so surveyed to publish summaries of the results of such surveys, together with similar facts, for the guidance of cooperative associations and for the purpose of assisting cooperative associations in developing methods of business and market analysis.

(4) To confer and advise with committees or groups of producers, if deemed advisable, that may be desirous of forming a cooperative association and to make an economic survey and analysis of the facts surrounding the production and marketing of the agricultural product or products which the association, if formed, would handle or market.

(5) To acquire from all available sources information concerning crop prospects, supply, demand, current receipts, exports, imports, and prices of the agricultural products handled or marketed by cooperative associations, and to employ qualified commodity marketing specialists to summarize and analyze this information and disseminate the same among cooperative associations and others.

(6) To promote the knowledge of cooperative principles and practices and to cooperate, in promoting such knowledge, with educational and marketing agencies, cooperative associations, and others.

(7) To make such special studies, in the United States and foreign countries, and to acquire and disseminate such informa-

tion and findings as may be useful in the development and practice of cooperation. (July 2, 1926, ch. 725, § 3, 44 Stat. 802.)

§ 454. Advisers to counsel with Governor of the Farm Credit Administration; expenses and subsistence.—The Governor of the Farm Credit Administration is authorized, in his discretion, to call advisers to counsel with him and/or his representatives relative to specific problems of cooperative marketing of farm products or any other cooperative activity. Any person, other than an officer, agent, or employee of the United States, called into conference, as provided for in this section, may be paid actual transportation expenses and not to exceed \$10 per diem to cover subsistence and other expenses while in conference and en route from and to his home. (July 2, 1926, ch. 725, § 4, 44 Stat. 803; Ex. Ord. No. 5200, Oct. 1, 1929; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 455. Dissemination of crop, market, etc., information by cooperative marketing associations.—Persons engaged, as original producers of agricultural products such as farmers, planters, ranchmen, dairymen, nut or fruit growers, acting together in associations, corporate or otherwise, in collectively processing, preparing for market, handling, and marketing in interstate and/or foreign commerce such products of persons so engaged, may acquire, exchange, interpret, and disseminate past, present, and prospective crop, market, statistical, economic, and other similar information by direct exchange between such persons, and/or such associations or federations thereof, and/or by and through a common agent created or selected by them. (July 2, 1926, ch. 725, § 5, 44 Stat. 803.)

§ 456. Rules and regulations; appointment, removal, and compensation of employees; expenditures; appropriations.—The Governor of the Farm Credit Administration may make such rules and regulations as may be deemed advisable to carry out the provisions of this chapter and may cooperate with any department or agency of the Government, any State, Territory, District, or possession, or department, agency, or political subdivision thereof, or any person; and may call upon any other Federal department, board, or commission for assistance in carrying out the purposes of this chapter; and shall have the power to appoint, remove, and fix the compensation of such officers and employees not in conflict with existing law and make such expenditure for rent, outside the District of Columbia, printing, telegrams, telephones, books of reference, books of law, periodicals, newspapers, furniture, stationery, office equipment, travel, and other supplies and expenses as shall be necessary to the administration of this chapter in the District of Columbia and elsewhere, and there is hereby authorized to be appropriated, such sums as may be necessary after the fiscal year 1927, for carrying out the purposes of this chapter. (July 2, 1926, ch. 725, § 6, 44 Stat. 803; Ex. Ord. No. 5200, Oct. 1, 1929; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 457. Partial invalidity of chapter.—If any provision of this chapter is declared unconstitutional or the applicability thereof to any person or circumstances is held invalid, the validity of

the remainder of the chapter and the applicability of such provision to other persons and circumstances shall not be affected thereby, and nothing contained in this chapter is intended nor shall be construed, to modify or repeal any of the provisions of sections 291 and 292 of this title. (July 2, 1926, ch. 725, § 7, 44 Stat. 803.)

Chapter 19.—COTTON STATISTICS AND ESTIMATES

§ 471. **Statistics and estimates of grades and staple length of cotton; collection and publication.**—The Secretary of Agriculture is authorized and directed to collect and publish annually, on dates to be announced by him, statistics or estimates concerning the grades and staple length of stocks of cotton, known as the carry-over, on hand on the 1st of August of each year in warehouses and other establishments of every character in the continental United States; and following such publication each year, to publish, at intervals in his discretion, his estimate of the grades and staple length of cotton of the then current crop: *Provided*, That not less than three such estimates shall be published with respect to each crop. In any such statistics or estimates published, the cotton which on the date for which such statistics are published may be recognized as tenderable on contracts of sale of cotton for future delivery under chapter 14 of Title 26, shall be stated separately from that which may be untenderable under said chapter. (Mar. 3, 1927, ch. 337, § 1, 44 Stat. 1372.)

§ 472. **Information furnished of confidential character; penalty for divulging information.**—The information furnished by any individual establishment under the provisions of this chapter shall be considered as strictly confidential and shall be used only for the statistical purpose for which it is supplied. Any employee of the Department of Agriculture who, without the written authority of the Secretary of Agriculture, shall publish or communicate any information given into his possession by reason of his employment under the provisions of this chapter shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined not less than \$300 or more than \$1,000, or imprisoned for a period of not exceeding one year, or both so fined and imprisoned, at the discretion of the court. (Mar. 3, 1927, ch. 337, § 2, 44 Stat. 1373.)

§ 473. **Persons required to furnish information; request; failure to furnish; false information.**—It shall be the duty of every owner, president, treasurer, secretary, director, or other officer or agent of any cotton warehouse, cotton ginnery, cotton mill, or other place or establishment where cotton is stored, whether conducted as a corporation, firm, limited partnership, or individual, and of any owner or holder of any cotton and of the agents and representatives of any such owner or holder, when requested by the Secretary of Agriculture or by any special agent or other employee of the Department of Agriculture acting under the instructions of said Secretary to furnish completely and correctly, to the best of his knowledge, all of the information concerning the grades and staple length of cotton

on hand, and when requested to permit such agent or employee of the Department of Agriculture to examine and classify samples of all such cotton on hand. The request of the Secretary of Agriculture for such information may be made in writing or by a visiting representative, and if made in writing shall be forwarded by registered mail, and the registry receipt of the Post Office Department shall be accepted as evidence of such demand. Any owner, president, treasurer, secretary, director, or other officer or agent of any cotton warehouse, cotton ginnery, cotton mill, or other place or establishment where cotton is stored, or any owner or holder of any cotton or the agent or representative of any such owner or holder, who, under the conditions hereinbefore stated, shall refuse or willfully neglect to furnish any information herein provided for or shall willfully give answers that are false or shall refuse to allow agents or employees of the Department of Agriculture to examine or classify any cotton in store in any such establishment, or in the hands of any owner or holder or of the agent or representative of any such owner or holder, shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not less than \$300 or more than \$1,000. (Mar. 3, 1927, ch. 337, § 3, 44 Stat. 1373.)

§ 473a. Classification of cotton on request of producer.—The Secretary of Agriculture, upon request in writing from any group of producers organized to promote the improvement of cotton who comply with such regulations as he may prescribe, is authorized and directed to determine and to make promptly available to such producers, the classification, in accordance with the official cotton standards of the United States, of any cotton produced by them. The Secretary of Agriculture is further authorized to pay the transportation charges and to furnish tags and containers for the samples of cotton submitted for classification under this section, and all samples of cotton so classified shall become the property of the Government, and the proceeds of any sales thereof after classification shall be covered into the Treasury of the United States as miscellaneous receipts. (Mar. 3, 1927, ch. 337, § 3a, as added, April 13, 1937, ch. 75, 50 Stat. 62.)

§ 473b. Market supply, demand, condition and prices; collection and publication of information.—The Secretary of Agriculture is also authorized and directed to collect, authenticate, publish, and distribute, by telegraph, radio, mail, or otherwise, timely information on the market supply, demand, location, condition, and market prices for cotton, and to cause to be prepared regularly and distributed for posting at gins, in post offices, or other public or conspicuous places in cotton-growing communities, information on prices for the various grades and staple lengths of cotton. (Mar. 3, 1927, ch. 337, § 3b, as added April 13, 1937, ch. 75, 50 Stat. 62.)

§ 473c. Rules and regulations.—The Secretary of Agriculture is further authorized to make such rules and regulations as he may deem necessary to effectuate the purposes of this chapter. (Mar. 3, 1927, ch. 337, § 3c, as added April 13, 1937, ch. 75, 50 Stat. 62.)

§ 473d. Quality tests and analyses by Secretary for breeders and others; fees.—The Secretary of Agriculture is authorized to make analyses of fiber properties, spinning tests, and other tests of the quality of cotton samples submitted to him by cotton breeders and other persons, subject to such terms and conditions and to the payment by such cotton breeders and other persons of such fees as he may prescribe by regulations under this chapter. The fees to be assessed hereunder shall be reasonable, and, as nearly as may be, to cover the cost of the service rendered. (Mar. 3, 1927, ch. 337, § 3d, as added Apr. 7, 1941, ch. 42, 55 Stat. 131.)

§ 474. Powers of Secretary of Agriculture; appropriation.—The Secretary of Agriculture may cooperate with any department or agency of the Government, any State, Territory, District, or possession, or department, agency, or political subdivision thereof, or any person; and shall have the power to appoint, remove, and fix the compensation of such officers and employees, not in conflict with existing law, and make such expenditures for the purchase of samples of cotton, for rent outside the District of Columbia, printing, telegrams, telephones, books of reference, periodicals, furniture, stationery, office equipment, travel, and other supplies and expenses as shall be necessary to the administration of this chapter in the District of Columbia and elsewhere, and there are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary for such purposes. (Mar. 3, 1927, ch. 337, § 4, 44 Stat. 1373.)

§ 475. Cotton crop reports.—The Secretary of Agriculture shall discontinue acreage reports based upon farmers' intention to plant cotton and shall cause to be issued between July 1, and December 1, five monthly reports, one as of September 1, one as of October 1, one as of November 1, and one as of December 1, each of which shall state the condition and progress of the crop and the probable number of bales which will be ginned, these reports to be issued simultaneously with the cotton ginning reports of the Bureau of the Census relating to the same dates, the two reports to be issued from the same place at eleven antemeridian of the eighth day following that to which the respective reports relate. When such date of release falls on Sunday or a legal holiday the report shall be issued at eleven o'clock antemeridian of the next succeeding workday. No such report shall be approved and released by the Secretary of Agriculture until it shall have been passed upon by a cottoncrop reporting committee or board consisting of five members or more to be designated by him, not less than three of which shall be supervisory field statisticians of the Department of Agriculture located in different sections of the cotton-growing States, experienced in estimating cotton production and who have first-hand knowledge of the conditions of the cotton crop based on recent field observations, and a majority of which committee or board shall be familiar with the methods and practices of producing cotton. (May 3, 1924, ch. 149, § 1, 43 Stat. 115; Mar. 3, 1927, ch. 337, § 5, 44 Stat. 1373.)

§ 476. Acreage reports.—The Secretary of Agriculture shall cause to be issued a report on or before the 10th day of July of each year showing by States and in toto the number of acres of cotton in cultivation on July 1, to be followed on September 1 and December 1 with an estimate of the acreage of cotton abandoned since July 1. (May 27, 1912, ch. 135, § 1, 37 Stat. 118; Mar. 3, 1927, ch. 337, § 6, 44 Stat. 1374.)

Chapter 20.—FARM PRODUCE RECEIVED IN INTERSTATE COMMERCE BY COMMISSION MERCHANTS AND OTHERS; DESTRUCTION OR DUMPING; INVESTIGATION OF QUALITY AND CONDITION OF PRODUCE

§ 491. Destruction or dumping of farm produce received in interstate commerce by commission merchants, etc., prohibited; penalty.—After June 30, 1927, any person, firm, association, or corporation receiving any fruits, vegetables, melons, dairy, or poultry products or any perishable farm products of any kind or character, referred to in this section and section 492 of this title as produce, in interstate commerce, or in the District of Columbia, for or on behalf of another, who without good and sufficient cause therefor, shall destroy or abandon, discard as refuse, or dump any produce directly or indirectly, or through collusion with any person, or who shall knowingly and with intent to defraud make any false report or statement to the person, firm, association, or corporation from whom any produce was received, concerning the handling, condition, quality, quantity, sale, or disposition thereof, or who shall knowingly and with intent to defraud fail truly and correctly to account therefor shall be guilty of a misdemeanor and upon conviction shall be punished by a fine of not less than \$100 and not more than \$3,000, or by imprisonment for a period of not exceeding one year, or both, at the discretion of the court. (Mar. 3, 1927, ch. 309, § 1, 44 Stat. 1355.)

CROSS REFERENCE

Unfair conduct by commission merchants, see section 499b of this title.

§ 492. Investigation of quality and condition of produce received in interstate commerce; issuance of certificate; certificate as evidence.—The Secretary of Agriculture shall by regulation provide for the making of prompt investigations and the issuing of certificates as to the quality and condition of produce received in interstate commerce or in the District of Columbia, upon application of any person, firm, association, or corporation shipping, receiving, or financially interested in, such produce. Such regulations shall designate the classes of persons qualified and authorized to make such investigations and issue such certificates, except that any such investigation shall be made and any such certificate shall be issued by at least two disinterested persons in any case where such investigation is not made by an officer or employee of the Department of Agriculture or of any State or political subdivision thereof or of the District of Columbia. A certificate made in compliance with such regulations shall be prima facie evidence in all Federal courts of the truth of the statements therein contained as to the quality and condition of the produce; but if any such certificate is put in evidence by any party, in any civil or criminal proceeding, the opposite party

shall be permitted to cross-examine any person signing such certificate, called as a witness at the instance of either party, as to his qualifications and authority and as to the truth of the statements contained in such certificate. (Mar. 3, 1927, ch. 309, § 1, 44 Stat. 1355.)

CROSS REFERENCES

Certification of condition of agricultural products shipped in interstate commerce; certificate as evidence, see section 414 of this title.

Offenses respecting certificate of inspection issued under this section, penalties, see section 499n (b) of this title.

§ 493. Enforcement of provisions; prosecution of cases.—The Secretary of Agriculture is hereby authorized and directed to enforce this chapter. It is hereby made the duty of all United States attorneys to prosecute cases arising under this chapter, subject to the supervision and control of the Department of Justice. (Mar. 3, 1927, ch. 309, § 2, 44 Stat. 1355.)

§ 494. Rules and regulations; cooperation with States, etc., officers and employees; expenditures.—The Secretary of Agriculture may make such rules and regulations as he may deem advisable to carry out the provisions of this chapter and may cooperate with any department or agency of the Government, any State, Territory, District, or possession, or department, agency, or political subdivision thereof, or any person; and may call upon any Federal department, board, or commission for assistance in carrying out the purposes of this chapter; and shall have the power to appoint, remove, and fix the compensation of such officers and employees not in conflict with existing law and make such expenditure for rent, outside the District of Columbia, printing, telegrams, telephones, books of reference, books of law, periodicals, newspapers, furniture, stationery, office equipment, travel, and other supplies and expenses as shall be deemed necessary to the administration of this chapter in the District of Columbia and elsewhere. (Mar. 3, 1927, ch. 309, § 3, 44 Stat. 1355.)

§ 495. Appropriation.—There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary after the fiscal year beginning July 1, 1927, to carry out the purposes of this chapter. (May 3, 1927, ch. 309, § 3, 44 Stat. 1355.)

§ 496. Validity of other statutes dealing with same subject.—This chapter shall not abrogate nor nullify any other statute, whether State or Federal, dealing with the same subjects as this chapter, but it is intended that all such statutes shall remain in full force and effect, except insofar only as they are inconsistent herewith or repugnant hereto. (Mar. 3, 1927, ch. 309, § 3, 44 Stat. 1355.)

§ 497. Invalidity of any provision of chapter as affecting other provisions.—If any provision of this chapter is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of the chapter and the applicability of such provisions to other persons and circumstances shall not be affected thereby. (Mar. 3, 1927, ch. 309, § 4, 44 Stat. 1356.)

Chapter 20A.—PERISHABLE AGRICULTURAL COMMODITIES ACT

§ 499a. Definitions.—When used in this chapter—

(1) The term “person” includes individuals, partnerships, corporations, and associations;

(2) The term “Secretary” means the Secretary of Agriculture;

(3) The term “interstate or foreign commerce” means commerce between any State or Territory, or the District of Columbia and any place outside thereof; or between points within the same State or Territory, or the District of Columbia but through any place outside thereof; or within the District of Columbia;

(4) The term “perishable agricultural commodity”—

(A) Means any of the following, whether or not frozen or packed in ice: Fresh fruits and fresh vegetables of every kind and character; and

(B) Includes cherries in brine as defined by the Secretary in accordance with trade usages;

(5) The term “commission merchant” means any person engaged in the business of receiving in interstate or foreign commerce any perishable agricultural commodity for sale, on commission, or for or on behalf of another;

(6) The term “dealer” means any person engaged in the business of buying or selling in carloads any perishable agricultural commodity in interstate or foreign commerce, except that (A) no producer shall be considered as a “dealer” in respect of sales of any such commodity of his own raising; (B) no person buying any such commodity solely for sale at retail shall be considered as a “dealer” in respect of any such commodity in any calendar year until his purchases of such commodity in carloads in such year are in excess of twenty; and (C) no person buying any such commodity for canning and/or processing within the State where grown shall be considered a “dealer” whether or not the canned or processed product is to be shipped in interstate or foreign commerce, unless such product is frozen or packed in ice, or consists of cherries in brine, within the meaning of paragraph 4 of this section. Any person not considered as a “dealer” under clauses (A), (B), and (C) may elect to secure a license under the provisions of section 499c of this title, and in such case and while the license is in effect such person shall be considered as a “dealer.” As used in this paragraph, the term “in carloads” includes wholesale or jobbing quantities as defined for any commodity by the Secretary.

(7) The term “broker” means any person engaged in the business of negotiating sales and purchases of any perishable agricultural commodity in interstate or foreign commerce for or on behalf of the vendor or the purchaser, respectively.

(8) A transaction in respect of any perishable agricultural commodity shall be considered in interstate or foreign commerce if such commodity is part of that current of commerce usual in the trade in that commodity whereby such commodity and/or the products of such commodity are sent from one State with the expectation that they will end their transit, after purchase, in

another, including, in addition to cases within the above general description, all cases where sale is either for shipment to another State, or for processing within the State and the shipment outside the State of the products resulting from such processing. Commodities normally in such current of commerce shall not be considered out of such commerce through resort being had to any means or device intended to remove transactions in respect thereto from the provisions of this chapter. (June 10, 1930, ch. 436, § 1, 46 Stat. 531; Apr. 13, 1934, ch. 120, § 1, 48 Stat. 584; Aug. 20, 1937, ch. 719, § 1, 50 Stat. 725; June 29, 1940, ch. 456, §§ 1, 2, 54 Stat. 696.)

§ 499b. Unfair conduct; what constitutes.—It shall be unlawful in or in connection with any transaction in interstate or foreign commerce—

(1) For any commission merchant, dealer, or broker to engage in or use any unfair, unreasonable, discriminatory, or deceptive practice in connection with the weighing, counting, or in any way determining the quantity of any perishable agricultural commodity received, bought, sold, shipped, or handled in interstate or foreign commerce;

(2) For any dealer to reject or fail to deliver in accordance with the terms of the contract without reasonable cause any perishable agricultural commodity bought or sold or contracted to be bought, sold, or consigned in interstate or foreign commerce by such dealer;

(3) For any commission merchant to discard, dump, or destroy without reasonable cause, any perishable agricultural commodity received by such commission merchant in interstate or foreign commerce;

(4) For any commission merchant, dealer, or broker to make, for a fraudulent purpose, any false or misleading statement in connection with any transaction involving any perishable agricultural commodity which is received in interstate or foreign commerce by such commission merchant, or bought or sold, or contracted to be bought, sold, or consigned, in such commerce by such dealer, or the purchase or sale of which in such commerce is negotiated by such broker; or to fail or refuse truly and correctly to account and make full payment promptly in respect of any transaction in any such commodity to the person with whom such transaction is had; or to fail, without reasonable cause, to perform any specification or duty, express or implied, arising out of any undertaking in connection with any such transaction;

(5) For any commission merchant, dealer, or broker, for a fraudulent purpose, to misrepresent by word, act, mark, stencil, label, statement, or deed the character, kind, grade, quality, quantity, size, pack, weight, condition, degree of maturity, or State or country of origin of any perishable agricultural commodity received, shipped, sold, or offered to be sold in interstate or foreign commerce;

(6) For any commission merchant, dealer, or broker, for a fraudulent purpose, to remove, alter, or tamper with any card,

stencil, stamp, tag, or other notice placed upon any container or railroad car containing any perishable agricultural commodity, if such card, stencil, stamp, tag, or other notice contains a certificate or statement under authority of any Federal or State inspector or in compliance with any Federal or State law or regulation as to the grade or quality of the commodity contained in such container or railroad car or the State or country in which such commodity was produced;

(7) For any commission merchant, dealer, or broker, without the consent of an inspector, to make, cause, or permit to be made any change by way of substitution or otherwise in the contents of a load or lot of any perishable agricultural commodity after it has been officially inspected for grading and certification, but this shall not prohibit re-sorting and discarding inferior produce. (June 10, 1930, ch. 436, § 2, 46 Stat. 532; Apr. 13, 1934, ch. 120, §§ 2, 3, 48 Stat. 585; June 19, 1936, ch. 602, § 1, 49 Stat. 1533; Aug. 20, 1937, ch. 719, §§ 2-4, 50 Stat. 725, 726; June 29, 1940, ch. 456, §§ 3, 4, 54 Stat. 696; Apr. 6, 1942, ch. 211, 56 Stat. 200.)

CROSS REFERENCE

Destruction or dumping of farm products received in interstate commerce by commission merchants, see section 491 of this title.

§ 499c. Licenses—(a) By whom license required; penalty for failure to obtain.—After December 10, 1930, no person shall at any time carry on the business of a commission merchant, dealer, or broker without a license valid and effective at such time. Any person who violates any provision of this subdivision shall be liable to a penalty of not more than \$500 for each such offense and not more than \$25 for each day it continues, which shall accrue to the United States and may be recovered in a civil suit brought by the United States.

Any person violating this provision may, upon a showing satisfactory to the Secretary of Agriculture, or his authorized representative, that such violation was not willful but was due to inadvertence, be permitted by the Secretary, or such representative, to settle his liability in the matter by the payment of the fees due for the period covered by such violation and an additional sum, not in excess of \$25, to be fixed by the Secretary of Agriculture or his authorized representative. Such payment shall be deposited in the Treasury of the United States in the same manner as regular license fees.

(b) Application; to whom made; contents; fee.—Any person desiring any such license shall make application to the Secretary. The Secretary may by regulation prescribe the information to be contained in such application. Upon the filing of the application, and annually thereafter, the applicant shall pay a fee of \$10. (June 10, 1930, ch. 436, § 3, 46 Stat. 533; Aug. 20, 1937, ch. 719, § 5, 50 Stat. 726.)

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 499d. Same; issuance and refusal—(a) Issuance of license; authority exercised thereunder; termination.—Whenever an applicant has paid the prescribed fee the Secretary, except as provided in subdivision (b) of this section, shall issue to such applicant a license, which shall entitle the licensee to do business as a commission merchant and/or dealer and/or broker unless and until it is suspended or revoked by the Secretary in accordance with the provisions of this chapter, or is automatically suspended under section 499g (d) of this title, but said license shall automatically terminate on any anniversary date thereof unless the annual fee has been paid: *Provided*, That notice of the necessity of paying the annual fee shall be mailed at least thirty days before the anniversary date: *Provided further*, That if the annual fee is not paid by the anniversary date the licensee may obtain a renewal of that license at any time within thirty days by paying a fee of \$15.

(b) Refusal of license; grounds; effect of giving bond.—The Secretary shall refuse to issue a license to an applicant (1) if he finds that the applicant has previously been responsible in whole or in part for any violation of the provisions of the chapter for which a license of the applicant, or the license of any partnership, association, or corporation in which the applicant held any office or, in the case of a partnership, had any share or interest, was revoked under the provisions of section 499h of this title or (2) if at any time within two years he has found after notice and hearing that said applicant was responsible in whole or in part for any flagrant or repeated violation of the provisions of section 499b of this title; or (3) if he finds, in case the applicant is a partnership, association, or corporation, that any individual holding office or, in the case of a partnership, having any interest or share in the applicant, has previously been responsible in whole or in part for any violation of the provisions of the chapter for which the license of such individual, or of any partnership, association, or corporation in which such person held any office, or, in the case of a partnership, had any share or interest, was revoked under the provisions of section 499h of this title or (4) if at any time within two years he has found after notice and hearing, in case the applicant is a partnership, association, or corporation, that any individual holding any office or, in the case of a partnership, having any interest or share in the applicant was responsible in whole or in part for any flagrant or repeated violation of the provisions of section 499b of this title; or (5) if he finds that the applicant, subject to his right of appeal under section 499g (c) of this title, has failed, except in case of bankruptcy, to pay within the time limit provided therein any reparation order which has been issued, within two years, against him as an individual, or against a partnership of which he was a member, or an association or corporation in which he held any office, or, in case the applicant is a partnership, association, or corporation, that any individual holding any office, or, in the case of a partnership, having any interest or share in the applicant, subject to his right of appeal under section 499g (c) of this title, has failed,

except in the case of bankruptcy, to pay within the time limit provided therein any reparation order which has been issued, within two years, against him as an individual or against a partnership of which he was a member, or an association or corporation in which he held any office. Notwithstanding all of the foregoing provisions of this paragraph, the Secretary, in the case of such applicant, may issue a license if the applicant furnishes a bond or other satisfactory assurance that his business will be conducted in accordance with the provisions of the chapter and that he will pay all reparation orders which may previously have been issued against him for violations, or which may be issued against him within two years following the date of the license, subject to his right of appeal under section 499g (c) of this title, but such license shall not be issued before the expiration of one year from the date of revocation of license or from the date of the Secretary's finding that the applicant has been responsible, in whole or in part, for any flagrant or repeated violation of section 499b of this title. Such bond shall be in an amount sufficient in the judgment of the Secretary of Agriculture to insure payment of such reparation orders:

(c) Revocation of license because of employment of person whose license had been revoked.—The Secretary shall refuse to issue a license to an applicant if he finds after notice and hearing that at any time within two years said applicant has been found guilty in a Federal court of having violated the provisions of sections 491-497 of this title, or of having violated section 499n (b) of this title, or, in case the applicant is a partnership, any member of the partnership was found guilty within two years of having violated the provisions of sections 491-497 of this title, or section 449n (b) of this title, or, if the applicant is an association or corporation, that any officer or any person holding a responsible position therein has been found within two years to have been guilty of violating the provisions of sections 491-497 of this title, or section 499n (b) of this title;

(d) Withholding license pending investigation.—The Secretary may withhold the issuance of a license to an applicant, for a period not to exceed thirty days pending an investigation, for the purpose of determining (a) whether the applicant is unfit to engage in the business of a commission merchant, dealer, or broker by reason of having prior to the date of the application engaged in any practice of the character prohibited by this chapter, or (b) whether the application contains any materially false or misleading statement or involves any misrepresentation, concealment, or withholding of facts respecting any violation of the chapter by any officer, agent, or employee of the applicant. If after investigation the Secretary believes that the applicant should be refused a license, the applicant shall be given an opportunity for hearing within sixty days from the date of the application to show cause why the license should not be refused. If after the hearing the Secretary finds that the applicant is unfit to engage in the business of a commission mer-

chant, dealer, or broker by reason of having prior to the date of the application engaged in any practice of the character prohibited by this chapter, or because the application contains a materially false or misleading statement made by the applicant or by its representative on its behalf, or involves a misrepresentation, concealment, or withholding of facts respecting any violation of the chapter by any officer, agent, or employee, the Secretary shall refuse to issue a license to the applicant.

(e) Revocation of license obtained through misrepresentation.—If, after a license shall have been issued to an applicant, the Secretary believes that the license was obtained through a false or misleading statement in the application therefor or through a misrepresentation, concealment, or withholding of facts respecting any violation of the chapter by any officer, agent, or employee, he may, after thirty days' notice and an opportunity for a hearing, revoke said license, whereupon no license shall be issued to said applicant or any applicant in which the person responsible for such false or misleading statement or misrepresentation, concealment, or withholding of facts is financially interested, except under the conditions set forth in paragraph (b) of this section. (June 10, 1930, ch. 436, § 4, 46 Stat. 533; Apr. 13, 1934, ch. 120, §§ 4-7, 48 Stat. 585, 586; June 19, 1936, ch. 602, § 2, 49 Stat. 1533; Aug. 20, 1937, ch. 719, § 6, 50 Stat. 726.)

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 499e. Liability to persons injured—(a) Amount of damages.—If any commission merchant, dealer, or broker violates any provision of section 499b of this title he shall be liable to the person or persons injured thereby for the full amount of damages sustained in consequence of such violation.

(b) Remedies.—Such liability may be enforced either (1) by complaint to the Secretary as hereinafter provided, or (2) by suit in any court of competent jurisdiction; but this section shall not in any way abridge or alter the remedies now existing at common law or by statute, and the provisions of this chapter are in addition to such remedies. (June 10, 1930, ch. 436, § 5, 46 Stat. 534; Aug. 20, 1937, ch. 719, § 7, 50 Stat. 728.)

§ 499f. Complaint and investigation—(a) Petition to Secretary of Agriculture; time of making; contents; service; answer.—Any person complaining of any violation of any provision of section 499b of this title by any commission merchant, dealer, or broker may, at any time within nine months after the cause of action accrues, apply to the Secretary by petition, which shall briefly state the facts, whereupon, if, in the opinion of the Secretary, the facts therein contained warrant such action, a copy of the complaint thus made shall be forwarded by the Secretary to the commission merchant, dealer, or broker, who shall be called upon to satisfy the complaint, or to answer it in writing, within a reasonable time to be prescribed by the Secretary.

(b) **Complaint to Secretary requesting investigation of violations; by whom made.**—Any officer or agency of any State or Territory having jurisdiction over commission merchants, dealers, or brokers in such State or Territory and any employee of the United States Department of Agriculture or any interested person may file, in accordance with rules and regulations of the Secretary, a complaint of any violation of any provision of this chapter by any commission merchant, dealer, or broker and may request an investigation of such complaint by the Secretary.

(c) **Service of complaint; hearing.**—If there appear to be, in the opinion of the Secretary, any reasonable grounds for investigating any complaint made under this section, the Secretary shall investigate such complaint and may, if in his opinion the facts warrant such action, have said complaint served by registered mail or otherwise on the person concerned and afford such person an opportunity for a hearing thereon before a duly authorized examiner of the Secretary in any place in which the said person is engaged in business: *Provided*, That in complaints wherein the amount claimed as damages does not exceed the sum of \$500, a hearing need not be held and proof in support of the complaint and in support of respondent's answer may be supplied in the form of depositions or verified statements of fact.

(d) **Determination by Secretary of violations.**—After opportunity for hearing on complaints where the damages claimed exceed the sum of \$500 has been provided or waived and on complaints where damages claimed do not exceed the sum of \$500 not requiring hearing as provided herein, the Secretary shall determine whether or not the commission merchant, dealer, or broker has violated any provision of section 499b of this title.

(e) **Complaints by nonresidents; bond for costs and fees.**—In case a complaint is made by a nonresident of the United States, the complainant shall be required, before any formal action is taken on his complaint, to furnish a bond in double the amount of the claim conditioned upon the payment of costs, including a reasonable attorney's fee for the respondent if the respondent shall prevail, and reparation award that may be issued by the Secretary of Agriculture against the complainant on any counter claim by respondent: *Provided*, That the Secretary shall have authority to waive the furnishing of a bond by a complainant who is a resident of a country which permits the filing of a complaint by a resident of the United States without the furnishing of a bond. (June 10, 1930, ch. 436, § 6, 46 Stat. 534; Apr. 13, 1934, ch. 120, §§ 8-10, 48 Stat. 587; Aug. 20, 1937, ch. 719, §§ 8, 9, 50 Stat. 728.)

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture. see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 499g. **Reparation order**—(a) **Determination by Secretary of Agriculture of amount of damages; order for payment**—If after a hearing on a complaint made by any person under section 499f of this title or without hearing as provided in section 499f of this

title, paragraphs (c) and (d), or upon failure of the party complained against to answer a complaint duly served within the time prescribed, or to appear at a hearing after being duly notified, the Secretary determines that the commission merchant, dealer, or broker has violated any provision of section 499b of this title, he shall, unless the offender has already made reparation to the person complaining, determine the amount of damage, if any, to which such person is entitled as a result of such violation and shall make an order directing the offender to pay to such person complaining such amount on or before the date fixed in the order. If, after the respondent has filed his answer to the complainant, it appears therein that the respondent has admitted liability for a portion of the amount claimed in the complaint as damages, the Secretary under such rules and regulations as he shall prescribe, unless the respondent has already made reparation to the person complaining, may issue an order directing the respondent to pay to the complainant the undisputed amount on or before the date fixed in the order, leaving the respondent's liability for the disputed amount for subsequent determination. The remaining disputed amount shall be determined in the same manner and under the same procedure as it would have been determined if no order has been issued by the Secretary with respect to the undisputed sum;

(b) Failure to comply with order of Secretary; suit in Federal court to enforce liability; order of Secretary as evidence; costs and fees.—If any commission merchant, dealer, or broker does not pay the reparation award within the time specified in the Secretary's order, the complainant, or any person for whose benefit such order was made, may within three years of the date of the order file in the district court of the United States for the district in which he resides or in which is located the principal place of business of the commission merchant, dealer, or broker, or in any State court having general jurisdiction of the parties, a petition setting forth briefly the causes for which he claims damages and the order of the Secretary in the premises. The orders, writs, and processes of the district courts may in these cases run, be served, and be returnable anywhere in the United States. Such suit in the district court shall proceed in all respects like other civil suits for damages, except that the findings and orders of the Secretary shall be prima-facie evidence of the facts therein stated, and the petitioner shall not be liable for costs in the district court, nor for costs at any subsequent state of the proceedings, unless they accrue upon his appeal. If the petitioner finally prevails, he shall be allowed a reasonable attorney's fee, to be taxed and collected as a part of the costs of the suit;

(c) Appeal from reparation order; proceedings.—Either party adversely affected by the entry of a reparation order by the Secretary may, within thirty days from and after the date of such order, appeal therefrom to the district court of the United States for the district in which said hearing was held: *Provided*, That in cases handled without a hearing in accordance with paragraphs (c) and (d) of section 499f of this title or in which a hearing has been waived by agreement of the parties, appeal shall be

to the district court of the United States for the district in which the party complaint against is located. Such appeal shall be perfected by the filing of a notice thereof together with a petition in duplicate which shall recite prior proceedings before the Secretary, and shall state the grounds upon which petitioner relies to defeat the right of the adverse party to recover the damages claimed, with the clerk of said court with proof of service thereof upon the adverse party, together with a bond in double the amount of the reparation award conditioned upon the payment of the judgment entered by the court plus interest and costs, including a reasonable attorney's fee for the appellee, if the appellee shall prevail. The clerk of court shall immediately forward a copy thereof to the Secretary of Agriculture, who shall forthwith prepare, certify, and file in said court a true copy of the Secretary's decision, findings of fact, conclusions, and order in said case, together with copies of the pleadings upon which the case was heard and submitted to the Secretary. Such suit in the district court shall be a trial de novo and shall proceed in all respects like other civil suits for damages, except that the findings of fact and order or orders of the Secretary shall be prima-facie evidence of the facts therein stated. Appellee shall not be liable for costs in said court if appellee prevails he shall be allowed a reasonable attorney's fee to be taxed and collected as a part of his costs. Such petition and pleadings certified by the Secretary upon which decision was made by him shall upon filing in the district court constitute the pleadings upon which said trial de novo shall proceed subject to any amendment allowed in that court;

(d) Suspension of license for failure to obey reparation order or appeal.—Unless the licensee against whom a reparation order has been issued shows to the satisfaction of the Secretary within five days from the expiration of the period allowed for compliance with such order that he has either taken an appeal as herein authorized or has made payment in full as required by such order his license shall be suspended automatically at the expiration of such five-day period until he shows to the satisfaction of the Secretary that he has paid the amount therein specified with interest thereon to date of payment: *Provided*, That if on the appeal the appellee prevails or if the appeal is dismissed the automatic suspension of license shall become effective at the expiration of ten days from the date of the judgment on the appeal unless prior thereto the judgment of the court has been satisfied. (June 10, 1930, ch. 436, § 7, 46 Stat. 534; Apr. 13, 1934, ch. 120, §§ 11-13, 48 Stat. 587, 588; June 19, 1936, ch. 602, § 3, 49 Stat. 1534; Aug. 20, 1937, ch. 719, § 10, 50 Stat. 728; June 23, 1938, ch. 599, 52 Stat. 953; May 14, 1940, ch. 196, 54 Stat. 214.)

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 499h. Grounds for suspension or revocation of license—(a) Authority of Secretary.—Whenever (a) the Secretary determines, as provided in section 499f of this title, that any commis-

sion merchant, dealer, or broker has violated any of the provisions of section 499b of this title, or (b) any commission merchant, dealer, or broker has been found guilty in a Federal court of having violated section 499n (b) of this title, the Secretary may publish the facts and circumstances of such violation and/or, by order, suspend the license of such offender for a period not to exceed ninety days, except that, if the violation is flagrant or repeated, the Secretary may, by order, revoke the license of the offender;

(b) Unlawful employment of former licensee; bond.—The Secretary may, after thirty days' notice and an opportunity for a hearing, revoke the license of any commission merchant, dealer, or broker who, after the date given in such notice, continues to employ in any responsible position any individual whose license was revoked or who was responsibly connected with any firm, partnership, association, or corporation whose license has been revoked. Employment of such individual by a licensee in any responsible position after one year following the revocation of any such license shall be conditioned upon the filing by the employing licensee of a bond, in such reasonable sums as may be fixed by the Secretary, or other assurance satisfactory to the Secretary that its business will be conducted in accordance with the provisions of this chapter;

(c) Fraud in procurement.—If, after a license shall have been issued to an applicant, the Secretary believes that the license was obtained through a false or misleading statement in the application therefor or through a misrepresentation, concealment, or withholding of facts respecting any violation of the chapter by any officer, agent, or employee, he may, after thirty days' notice and an opportunity for a hearing, revoke said license, whereupon no license shall be issued to said applicant or any applicant in which the person responsible for such false or misleading statement or misrepresentation, concealment, or withholding of facts is financially interested, except under the conditions set forth in section 499d (b) of this title.

(d) Injunction.—In addition to being subject to the penalties provided by section 499c (a) of this title, any commission merchant, dealer, or broker who engages in or operates such business without a valid and effective license from the Secretary shall be liable to be proceeded against in any court of competent jurisdiction in a suit by the United States for an injunction to restrain such defendant from further continuing so to engage in or operate such business, and, if the court shall find that the defendant is continuing to engage in such business without a valid and effective license, the court shall issue an injunction to restrain such defendant from continuing to engage in or to operate such business without such license. (June 10, 1930, ch. 436, § 8, 46 Stat. 535; Apr. 13, 1934, ch. 120, § 14, 48 Stat. 588; Aug. 20, 1937, ch. 719, § 11, 50 Stat. 730.)

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 499i. Accounts, records, and memoranda; duty of licensees to keep; contents; suspension of license for violation of duty.—Every commission merchant, dealer, and broker shall keep such accounts, records, and memoranda as fully and correctly disclose all transactions involved in his business, including the true ownership of such business by stockholding or otherwise. If such accounts, records, and memoranda are not so kept, the Secretary may publish the facts and circumstances and/or, by order, suspend the license of the offender for a period not to exceed ninety days. (June 10, 1930, ch. 436; § 9, 46 Stat. 535.)

§ 499j. Orders; when in effect; continuance in force; suspension, modification and setting aside; penalty.—Any order of the Secretary under this chapter other than an order for the payment of money shall take effect within such reasonable time, not less than ten days, as is prescribed in the order, and shall continue in force until his further order, or for a specified period of time, accordingly as it is prescribed in the order, unless such order is suspended, modified, or set aside by the Secretary or is suspended, modified, or set aside by a court of competent jurisdiction. Any such order of the Secretary, if regularly made, shall be final, unless before the date prescribed for its taking effect application is made to a court of competent jurisdiction by the commission merchant, dealer, or broker against whom such order is directed to have such order set aside or its enforcement, operation, or execution suspended or restrained. (June 10, 1930, ch. 436, § 10, 46 Stat. 535.)

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 499k. Injunctions; application of injunction laws governing orders of Interstate Commerce Commission.—For the purposes of this chapter the provisions of all laws relating to the suspending or restraining of the enforcement, operation, or execution, or the setting-aside, in whole or in part, of the orders of the Interstate Commerce Commission are made applicable to orders of the Secretary under this chapter and to any person subject to the provisions of this chapter. (June 10, 1930, ch. 436, § 11, 46 Stat. 535.)

§ 499l. Violation of provisions of chapter; report to Attorney General; proceedings in Federal courts.—The Secretary may report any violation of this chapter for which a civil penalty is provided to the Attorney General of the United States, who shall cause appropriate proceedings to be commenced and prosecuted in the proper courts of the United States without delay. The costs and expenses of such proceedings shall be paid out of the appropriation for the expenses of the courts of the United States. (June 10, 1930, ch. 436, § 12, 46 Stat. 536.)

§ 499m. Investigation of complaints; procedure, penalties, etc.—(a) **Investigation of complaints by Secretary of Agriculture; inspection of accounts, records, and memoranda; penalty for refusing inspection.**—In the investigation of complaints under this chapter, the Secretary or his duly authorized agents shall have

the right to inspect such accounts, records, and memoranda of any commission merchant, dealer, or broker as may be material for the determination of any such complaint. If any such commission merchant, dealer, or broker refuses to permit such inspection, the Secretary may publish the facts and circumstances and/or, by order, suspend the license of the offender until permission to make such inspection is given.

(b) Hearings; subpoenas; oaths; witnesses; evidence.—The Secretary, or any officer or employee designated by him for such purpose, may hold hearings, sign and issue subpoenas, administer oaths, examine witnesses, receive evidence, and require by subpoena the attendance and testimony of witnesses and the production of such accounts, records, and memoranda as may be material for the determination of any complaint under this chapter.

(c) Disobedience to subpoenas; remedy; contempt.—In case of disobedience to a subpoena, the Secretary or any of his examiners may invoke the aid of any court of the United States in requiring the attendance and testimony of witnesses and the production of accounts, records, and memoranda. Any district court of the United States within the jurisdiction of which any hearing is carried on may, in case of contumacy or refusal to obey a subpoena issued to any person, issue an order requiring the person to appear before the Secretary or his examiner or to produce accounts, records, and memoranda if so ordered, or to give evidence touching any matter pertinent to any complaint; and any failure to obey such order of the court shall be punished by the court as a contempt thereof.

(d) Depositions; production of accounts, records and memoranda.—The Secretary may order testimony to be taken by deposition in any proceeding or investigation or incident to any complaint pending under this chapter at any stage thereof. Such depositions may be taken before any person designated by the Secretary and having power to administer oaths. Such testimony shall be reduced to writing by the person taking the deposition or under his direction and shall then be subscribed by the deponent. Any person may be compelled to appear and depose and to produce accounts, records, and memoranda in the same manner as witnesses may be compelled to appear and testify and produce accounts, records, and memoranda before the Secretary or any of his examiners.

(e) Fees and mileage of witnesses.—Witnesses summoned before the Secretary or any officer or employee designated by him shall be paid the same fees and mileage that are paid witnesses in the courts of the United States, and witnesses whose depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like service in the courts of the United States.

(f) Incriminating nature of evidence as excuse for failure of witness to testify or produce.—No person shall be excused from attending, testifying, answering any lawful inquiry, or deposing or from producing any documentary evidence, before the Secretary or any officer or employee designated by him, in obedience to the subpoena of the Secretary or any such officer or employee,

in any cause or proceeding, based upon or growing out of any alleged violation of this chapter, or upon the taking of any deposition herein provided for, upon the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture. But no natural person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing, concerning which he is compelled under oath so to testify, or produce evidence, documentary or otherwise, before the Secretary or any officer or employee designated by him, in obedience to the subpoena of the Secretary, or any such officer or employee, or upon the taking of any such deposition, or in any such cause or proceeding: *Provided*, That no person so testifying shall be exempt from prosecution and punishment for perjury committed in so testifying. (June 10, 1930, ch. 436, § 13, 46 Stat. 536.)

§ 499n. **Inspection of perishable agricultural commodities; employment of inspectors; fees for and expenses of inspection; travel and subsistence of inspectors; certificates of inspectors as evidence; issuance of fraudulent certificates; penalty.**—(a) The Secretary is hereby authorized, independently and in cooperation with other branches of the Government, State, or municipal agencies and/or any person, whether operating in one or more jurisdictions, to employ and/or license inspectors to inspect and certify, without regard to the filing of a complaint under this chapter, to any interested person the class, quality, and/or condition of any lot of any perishable agricultural commodity when offered for interstate or foreign shipment or when received at places where the Secretary shall find it practicable to provide such service, under such rules and regulations as he may prescribe, including the payment of such fees and expenses as will be reasonable and as nearly as may be to cover the cost for the service rendered: *Provided*, That fees for inspections made by a licensed inspector, less the percentage thereof which he is allowed by the terms of his contract of employment with the Secretary as compensation for his services, shall be deposited into the Treasury of the United States as miscellaneous receipts; and fees for inspections made by an inspector acting under a cooperative agreement with a State, municipality, or other person shall be disposed of in accordance with the terms of such agreement: *Provided further*, That expenses for travel and subsistence incurred by inspectors shall be paid by the applicant for inspection to the United States Department of Agriculture to be credited to the appropriation for carrying out the purposes of this chapter: *And provided further*, That official inspection certificates for fresh fruits and vegetables issued by the Secretary of Agriculture pursuant to any law shall be received by all officers and all courts of the United States, in all proceedings under this chapter, and in all transactions upon contract markets under sections 1-17 (a) of this title as prima-facie evidence of the truth of the statements therein contained;

(b) Whoever shall falsely make, issue, alter, forge, or counterfeit, or cause or procure to be falsely made, issued, altered, forged, or counterfeited, or willingly aid, cause, procure or assist in, or be

a party to the false making, issuing, altering, forging, or counterfeiting of any certificate of inspection issued under authority of this chapter, sections 491-497 of this title, or any Act making appropriations for the Department of Agriculture; or shall utter or publish as true or cause to be uttered or published as true any such false, forged, altered, or counterfeited certificate, for a fraudulent purpose, shall be guilty of a misdemeanor and upon conviction shall be punished by a fine of not more than \$500 or by imprisonment for a period of not more than one year, or both, at the discretion of the court. (June 10, 1930, ch. 436, § 14, 46 Stat. 537; Apr. 13, 1934, ch. 120, § 15, 48 Stat. 588; Aug. 20, 1937, ch. 719, § 12, 50 Stat. 730.)

CROSS REFERENCES

Certification of condition of agricultural products shipped in interstate commerce, see section 414 of this title.

Investigation of quality and condition of produce received in interstate commerce, see section 492 of this title.

§ 499o. Rules, regulations, and orders by Secretary of Agriculture; appointment, removal, and compensation of officers and employees; expenditures; appropriations; abrogation of inconsistent statutes.—The Secretary may make such rules, regulations, and orders as may be necessary to carry out the provisions of this chapter and may cooperate with any department or agency of the Government, any State, Territory, District, or possession, or department, agency, or political subdivision thereof, or any person; and shall have the power to appoint, remove, and fix the compensation of such officers and employees not in conflict with existing law, and make such expenditures for rent outside the District of Columbia, printing, binding, telegrams, telephones, law books, books of reference, publications, furniture, stationery, office equipment, travel, and other supplies and expenses, including reporting services, as shall be necessary to the administration of this chapter in the District of Columbia and elsewhere, and as may be appropriated for by Congress; and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for such purpose. This chapter shall not abrogate nor nullify any other statute, whether State or Federal, dealing with the same subjects as this chapter; but it is intended that all such statutes shall remain in full force and effect except insofar only as they are inconsistent herewith or repugnant hereto. (June 10, 1930, ch. 436, § 15, 46 Stat. 537.)

§ 499p. Liability of licensees for acts and omissions of agents.—In construing and enforcing the provisions of this chapter, the act, omission, or failure of any agent, officer, or other person acting for or employed by any commission merchant, dealer, or broker, within the scope of his employment or office, shall in every case be deemed the act, omission, or failure of such commission merchant, dealer, or broker as that of such agent, officer, or other person. (June 10, 1930, ch. 436, § 16, 46 Stat. 538.)

§ 499q. Invalidity of separate provisions of chapter; effect on remainder.—If any provision of this chapter or the application thereof to any person or circumstances is held invalid, the validity

of the remainder of the chapter and of the application of such provision to other persons and circumstances shall not be affected thereby. (June 10, 1930, ch. 436, § 17, 46 Stat. 538.)

§ 499r. **Citation of chapter.**—This chapter may be cited as the “Perishable Agricultural Commodities Act, 1930.” (June 10, 1930, ch. 436, § 18, 46 Stat. 538.)

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

Chapter 21.—TOBACCO STATISTICS

§ 501. **Collection and publication; facts required; deteriorated tobacco.**—The Secretary of Agriculture is authorized and directed to collect and publish statistics of the quantity of leaf tobacco in all forms in the United States and Puerto Rico, owned by or in the possession of dealers, manufacturers, quasi-manufacturers, growers' cooperative associations, warehousemen, brokers, holders, or owners, other than the original growers of tobacco. The statistics shall show the quantity of tobacco in such detail as to types, groups of grades, and such other subdivisions as to quality, color, and/or grade for particular types, as the Secretary of Agriculture shall deem to be practical and necessary for the purposes of this section and sections 502-508 of this title, shall be summarized as of January 1, April 1, July 1, and October 1 of each year, and an annual report on tobacco statistics shall be issued: *Provided*, That the Secretary of Agriculture shall not be required to collect statistics of leaf tobacco from any manufacturer of tobacco who, in the first three quarters of the preceding calendar year, according to the returns of the Commissioner of Internal Revenue or the record of the Treasurer of Puerto Rico, manufactured less than thirty-five thousand pounds of tobacco, or from any manufacturer of cigars who, during the first three quarters of the preceding calendar year, manufactured less than one hundred and eighty-five thousand cigars, or from any manufacturer of cigarettes who, during the first three quarters of the preceding year, manufactured less than seven hundred and fifty thousand cigarettes: *And provided further*, That the Secretary of Agriculture may omit the collection of statistics from any dealer, manufacturer, growers' cooperative association, warehouseman, broker, holder, or owner who does not own and/or have in stock, in the aggregate, fifty thousand pounds or more of leaf tobacco on the date as of which the reports are made. For the purposes of this section and sections 502-508 of this title, any tobacco which has deteriorated on account of age or other causes to the extent that it is not merchantable or is unsuitable for use in manufacturing tobacco products shall be classified with other nondescript tobacco and reported in the “N” group of the type to which it belongs. (Jan. 14, 1929, ch. 69, § 1, 45 Stat. 1079; July 14, 1932, ch. 480, § 1, 47 Stat. 662; Aug. 27, 1935, ch. 749, § 1, 49 Stat. 893.)

SEPARABILITY CLAUSE

Section 4 of act August 27, 1935, chapter 749, cited to text, provided as follows: “If any provision of this act, or the application of such provision

to any person or circumstances, is held invalid, the remainder of the act and the application of such provisions to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby."

§ 502. Standards for classification; returns and blanks.—The Secretary of Agriculture shall establish standards for the classification of leaf tobacco, and he is authorized to demonstrate such standards, to prepare and distribute samples thereof, and to make reasonable charges therefor. He shall specify the types, groups of grades, qualities, colors, and/or grades, which shall be included in the returns required by sections 501-508 of this title. The Secretary of Agriculture shall prepare appropriate blanks upon which the returns shall be made, shall, upon request, furnish copies to persons who are required by sections 501-508 of this title to make returns, and such returns shall show the types, groups of grades, qualities, colors, and/or grades and such other information as the Secretary may require. (Jan. 14, 1929, ch. 69, § 2, 45 Stat. 1079; Aug. 27, 1935, ch. 749, § 2, 49 Stat. 894.)

CROSS REFERENCE

Separability clause for act August 27, 1935, cited to text, see note under section 501 of this title.

§ 503. Reports; necessity; by whom made; penalties.—It shall be the duty of every dealer, manufacturer, quasi-manufacturer, growers' cooperative association, warehouseman, broker, holder, or owner, other than the original grower, except such persons as are excluded by the proviso to section 501 of this title, to furnish within fifteen days after January 1, April 1, July 1, and October 1 of each year, completely and correctly, to the best of his knowledge, a report of the quantity of leaf tobacco on hand, segregated in accordance with the blanks furnished by the Secretary of Agriculture. Any person, firm, association, or corporation required by sections 501-508 of this title to furnish a report, and any officer, agent, or employee thereof who shall refuse or willfully neglect to furnish any of the information required by sections 501-508 of this title, or shall willfully give answers that are false or misleading, shall be guilty of a misdemeanor, and upon conviction thereof shall be fined not less than \$300 or more than \$1,000, or imprisoned not more than one year, or both. (Jan. 14, 1929, ch. 69, § 3, 45 Stat. 1080; July 14, 1932, ch. 480, § 2, 47 Stat. 663.)

§ 504. Definition of "person."—The word "person" as used in sections 501-508 of this title shall be held to embrace also any partnership, corporation, association, or other legal entity. (Jan. 14, 1929, ch. 69, § 4, 45 Stat. 1080.)

§ 505. Access to internal revenue records.—The Secretary of Agriculture shall have access to the tobacco records of the Commissioner of Internal Revenue and of the several collectors of internal revenue for the purpose of obtaining lists of the persons subject to sections 501-508 of this title and for the purpose of aiding the collection of the information required by sections 501-508 of this title, and the Commissioner of Internal Revenue and the several collectors of internal revenue shall cooperate with the Secretary of Agriculture in effectuating the provisions of sections 501-508 of this title. (Jan. 14, 1929, ch. 69, § 5, 45 Stat. 1080; Aug. 27, 1935, ch. 749, § 3, 49 Stat. 894.)

AMENDMENT

Section, by a purported amendment, was reenacted without change by act August 27, 1935, cited to text.

§ 506. Returns under oath; administration.—The returns provided for in sections 501-508 of this title shall be made under oath before a collector or deputy collector of internal revenue, a postmaster, assistant postmaster, or anyone authorized to administer oaths by State or Federal law. (Jan. 14, 1929, ch. 69, § 6, 45 Stat. 1080.)

§ 507. Limitation on use of statistical information.—The information furnished under the provisions of sections 501-508 of this title shall be used only for the statistical purposes for which it is supplied. No publication shall be made by the Secretary of Agriculture whereby the data furnished by any particular establishment can be identified, nor shall the Secretary of Agriculture permit anyone other than the sworn employees of the Department of Agriculture to examine the individual reports. (Jan. 14, 1929, ch. 69, § 7, 47 Stat. 1080.)

§ 508. Invalidity of provisions in sections 501-507; validity of remaining provisions.—If any provision of sections 501-507 of this title is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of said sections and the applicability of such provisions to other persons and circumstances shall not be affected thereby. (Jan. 14, 1929, ch. 69, § 9, 45 Stat. 1080.)

Chapter 21A.—TOBACCO INSPECTION ACT

§ 511. Definitions.—When used in this chapter—

(a) "Person" includes partnerships, associations, and corporations, as well as individuals.

(b) "Secretary" means the Secretary of Agriculture of the United States.

(c) "Inspector" means any person employed, licensed, or authorized by the Secretary to determine and certify the type, grade, condition, or other characteristics of tobacco.

(d) "Sampler" means any person employed, licensed, or authorized by the Secretary to select, tag, and seal official samples of tobacco.

(e) "Weigher" means any person employed, licensed, or authorized by the Secretary to weigh and certify the weight of tobacco.

(f) "Tobacco" means tobacco in its unmanufactured form.

(g) "Auction market" means a market or place to which tobacco is delivered by the producers thereof, or their agents, for sale at auction through a warehouseman or commission merchant.

(h) Words in the singular form shall be deemed to import the plural form when necessary.

(i) "Commerce" means commerce between any State, Territory, or possession, or the District of Columbia, and any place outside thereof; or between points within the same State, Territory, or possession, or the District of Columbia, but through any place outside thereof; or within Territory or possession, or the District of Columbia. For the purposes of this chapter (but

not in any wise limiting the foregoing definition) a transaction in respect to tobacco shall be considered to be in commerce if such tobacco is part of that current of commerce usual in the tobacco industry whereby tobacco or products manufactured therefrom are sent from one State with the expectation that they will end their transit, after purchase, in another, including, in addition to cases within the above general description, all cases where purchase or sale is either for shipment to another State or for manufacture within the State and the shipment outside the State of the products resulting from such manufacture. Tobacco normally in such current of commerce shall not be considered out of such current through resort being had to any means or device intended to remove transactions in respect thereto from the provisions of this chapter. For the purpose of this paragraph the word "State" includes Territory, the District of Columbia, possession of the United States, and foreign nations. (Aug. 23, 1935, ch. 623, § 1, 49 Stat. 731.)

FEDERAL RULES OF CIVIL PROCEDURE

Subpoena, see Rule 45, following section 723c of Title 28, Judicial Code and Judiciary.

§ 511a. Purpose of chapter.—Transactions in tobacco involving the sale thereof at auction as commonly conducted at auction markets are affected with a public interest; that such transactions are carried on by tobacco producers generally and by persons engaged in the business of buying and selling tobacco according to type, grade, and other characteristics affects the prices received therefor by producers; that without uniform standards of classification and inspection the evaluation of tobacco is susceptible to speculation, manipulation, and control, and unreasonable fluctuations in prices and quality determinations occur which are detrimental to producers and persons handling tobacco in commerce; that such fluctuations constitute a burden upon commerce and make the use of uniform standards of classification and inspection imperative for the protection of producers and others engaged in commerce and the public interest therein. (Aug. 23, 1935, ch. 623, § 2, 49 Stat. 731.)

§ 511b. Official standards for classification; tentative standards; modification.—The Secretary is authorized to investigate the sorting, handling, conditioning, inspection, and marketing of tobacco from time to time, and to establish standards for tobacco by which its type, grade, size, condition, or other characteristics may be determined, which standards shall be the official standards of the United States, and shall become effective immediately or upon a date specified by the Secretary: *Provided*, That the Secretary may issue tentative standards for tobacco prior to the establishment of official standards therefor, and he may modify any standards established under authority of this chapter whenever, in his judgment, such action is advisable. (Aug. 23, 1935, ch. 623, § 3, 49 Stat. 732.)

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 511c. Same; demonstration; samples; cost.—The Secretary is authorized to demonstrate the official standards; to prepare and distribute, upon request, samples, illustrations, or sets thereof; and to make reasonable charges therefor: *Provided*, That in no event shall charges be in excess of the cost of said samples, illustrations, and services so rendered. (Aug. 23, 1935, ch. 623, § 4, 49 Stat. 732.)

§ 511d. Designation of markets; manner.—The Secretary is authorized to designate those auction markets where tobacco bought and sold thereon at auction, or the products customarily manufactured therefrom, moves in commerce. Before any market is designated by the Secretary under this section he shall determine by referendum the desire of tobacco growers who sold tobacco at auction on such market during the preceding marketing season. The Secretary may at his discretion hold one referendum for two or more markets or for all markets in a type area. No market or group of markets shall be designated by the Secretary unless two-thirds of the growers voting favor it. The Secretary shall have access to the tobacco records of the Collector of Internal Revenue and of the several collectors of internal revenue for the purpose of obtaining the names and addresses of growers who sold tobacco on any auction market, and the Secretary shall determine from said records the eligibility of such grower to vote in such referendum, and no grower shall be eligible to vote in more than one referendum. After public notice of not less than thirty days that any auction market has been so designated by the Secretary, no tobacco shall be offered for sale at auction on such market until it shall have been inspected and certified by an authorized representative of the Secretary according to the standards established under this chapter, except that the Secretary may temporarily suspend the requirement of inspection and certification at any designated market whenever he finds it impracticable to provide for such inspection and certification because competent inspectors are not obtainable or because the quantity of tobacco available for inspection is insufficient to justify the cost of such service: *Provided*, That, in the event competent inspectors are not available, or for other reasons, the Secretary is unable to provide for such inspection and certification at all auction markets within a type area, he shall first designate those auction markets where the greatest number of growers may be served with the facilities available to him. No fee or charge shall be imposed or collected for inspection or certification under this section at any designated auction market. Nothing contained in this chapter shall be construed to prevent transactions in tobacco at markets not designated by the Secretary or at designated markets where the Secretary has suspended the requirement of inspection or to authorize the Secretary to close any market. (Aug. 23, 1935, ch. 623, § 5, 49 Stat. 732.)

§ 511e. Sampling and weighing; cost; disposition of moneys received; expenses; purpose of section.—The Secretary, independently or in cooperation with other branches of the Government, State agencies, or persons, whether operating in one or more

jurisdictions, is authorized to employ and/or license competent persons as samplers to take official samples of tobacco, or as weighers to weigh and certify the weight of tobacco, or as inspectors of tobacco to determine and certify, upon the request of the owner or other financially interested persons, the type, grade, weight of tobacco, or as inspectors of tobacco to determine and certify, upon the request of the owner or other financially interested person, the type, grade, weight, condition, and/or such other facts as the Secretary may deem necessary.

The Secretary is authorized to fix and collect such fees or charges in the administration of this section as he may deem reasonable, and the moneys collected, except as provided in this section, shall be deposited in the Treasury of the United States to the credit of miscellaneous receipts. Fees or charges collected under an agreement with a State, municipality, or person, or by an individual licensed to inspect or weigh or sample tobacco under this chapter, may be disposed of in accordance with the terms of such agreement or license. Charges for expenses for travel and subsistence incurred by inspectors or weighers or samplers employed by the Secretary when required to be paid by the applicant for service, may be credited to the appropriation, or any other funds authorized in this chapter from which they were paid.

This section is intended merely to provide for the furnishing of services upon request of the owner or other person financially interested in tobacco to be sampled, inspected, or weighed and shall not be construed otherwise. (Aug. 23, 1935, ch. 623, § 6, 49 Stat. 732.)

§ 511f. Reinspection and appeal inspection; certificate as evidence.—The Secretary shall provide for such reinspection or appeal inspection of tobacco as he may deem necessary for the confirmation or reversal of certificates issued under this chapter. Each inspection certificate issued under this chapter, unless invalidated or superseded in accordance with the regulations of the Secretary, shall be received in all courts and by all officers and employees of the United States as prima facie evidence of the truth of the statements therein contained. (Aug. 23, 1935, ch. 623, § 7, 49 Stat. 733.)

§ 511g. Placing of grade on warehouse tickets, etc.; form.—Warehousemen shall provide space on warehouse tickets or other tags or labels used by them for showing the grade of the lot covered thereby as determined by an authorized tobacco inspector under this chapter. The Secretary may prescribe, by regulation, the form in which such certification of grade shall be shown, and may require that a copy of such warehouse ticket, tag, or label shall be furnished to the Secretary. (Aug. 23, 1935, ch. 623, § 8, 49 Stat. 733.)

§ 511h. Publication of information relating to tobacco.—The Secretary is authorized to collect, publish, and distribute, by telegraph, mail, or otherwise without cost to the grower, timely information on the market supply and market prices for tobacco. (Aug. 23, 1935, ch. 623, § 9, 49 Stat. 733.)

§ 511i. Offenses.—It shall be unlawful—

(a) For any person to use the words “United States”, “Govern-

ment", or "Federal", or any abbreviation thereof, in, or in connection with, any statement relating to the grade of tobacco when such grade is not, in fact, one of the grades for tobacco according to the standards of the United States.

(b) For any person falsely to make, issue, alter, forge, or counterfeit, or aid, cause, procure, or assist in or be a party to the false making, issuing, altering, forging, or counterfeiting of any certificate, stamp, tag, seal, label, or other writing purporting to be issued or authorized under this chapter.

(c) For any person, not an authorized inspector under this chapter, to issue a certificate or report stating the type, grade, size, or condition of any lot of tobacco to be in accordance with the standards of the United States therefor which is of such color, size, arrangement, or wording as to be mistaken for a certificate issued under this chapter, unless such certificate states in prominent letters in its heading that it is not issued under authority of the United States.

(d) For any person employed, designated, or licensed by the Secretary as an inspector, sampler, or weigher of tobacco under this chapter knowingly to inspect, sample, or weigh improperly, or to issue any false certificate under this chapter, or to accept money or other consideration, directly or indirectly, for any neglect or improper performance of duty as an inspector, sampler or weigher.

(e) For any person improperly to influence or to attempt improperly to influence or forcibly to assault, resist, impede, or interfere with any inspector, sampler, weigher, or other person employed, designated, or licensed by the Secretary in the execution of his duties under this chapter: *Provided, however,* That nothing herein shall operate to prevent the owner of tobacco from appealing or protesting, in accordance with regulations of the Secretary, the grade certified for his tobacco.

(f) For any person falsely to represent or otherwise indicate that he is authorized by the Secretary to inspect, sample, or weigh tobacco under this chapter.

(g) For any person to substitute, or attempt to substitute, following inspection or sampling or weighing under this chapter, other tobacco for tobacco actually inspected or sampled or weighed, or in the case of tobacco actually inspected or sampled or houses for any person not so authorized by the Secretary to remove any certificate of grade from any lot of tobacco prior to the sale of such lot.

(h) For any person falsely to represent that tobacco has been inspected, sampled, or weighed under this chapter; or knowingly to have made any false representation concerning tobacco inspected under this chapter; or knowing that tobacco is to be offered for inspection or sampling under this chapter to load, pack, or arrange such tobacco in such manner as knowingly to conceal foreign matter or tobacco of inferior grade, quality, or condition; or for any person knowing that tobacco has been so loaded, packed, or arranged, to offer it for inspection or sampling without disclosing such knowledge to the inspector or sampler before inspection or sampling.

(i) For any person willfully to alter an official sample of tobacco by removing or plucking leaves or otherwise, or for any person knowing that an official sample of tobacco has been so altered, thereafter to represent such sample as an official sample. (Aug. 23, 1935, ch. 623, § 10, 49 Stat. 733.)

§ 511j. **Same; publication of facts.**—The Secretary is authorized to publish the facts regarding any violation of this chapter. (Aug. 23, 1935, ch. 623, § 11, 49 Stat. 734.)

§ 511k. **Same; penalty.**—Any person violating any provision of sections 511d and 511i of this title shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$1,000, or imprisoned not more than one year, or both. (Aug. 23, 1935, ch. 623, § 12, 49 Stat. 734.)

§ 511l. **Act of agent as that of principal.**—In construing and enforcing the provisions of this chapter;¹ the act;¹ omission, or failure of any agent, officer, or other person acting for or employed by an association, partnership, corporation, or firm, within the scope of his employment or office, shall be deemed to be the act, omission, or failure of the association, partnership, corporation or firm, as well as that of the person. (Aug. 23, 1935, ch. 623, § 13, 49 Stat. 734.)

¹ So in original. Semicolon probably should be comma.

§ 511m. **Regulation; hearings; employees; expenditures; appropriation.**—The Secretary is authorized to make such rules and regulations and hold such hearings as he may deem necessary to effectuate the purposes of this chapter and may cooperate with any other Department or agency of the Government; any State, territory, district, or possession, or department, agency, or political subdivision thereof; purchasing and consuming organizations, boards of trade, chambers of commerce, or other associations of business men or trade organizations; or any person, whether operating in one or more jurisdictions in carrying on the work herein authorized; and he shall have the power to appoint, suspend, remove and fix the compensation of all officers, employees, and licensees not in conflict with existing law, except that inspectors and supervisors employed hereunder on a seasonal basis and working for periods of six months or less during any twelve-month period may be appointed without reference to the provisions of sections 661-663, 664-674 of Title 5. The Secretary is authorized to make such expenditures for rent outside of the District of Columbia, printing, binding, telegrams, telephones, books of reference, publications, furniture, stationery, office and laboratory equipment, travel, tobacco for use in preparing and demonstrating standards, and other supplies and expenses, including reporting services, as shall be necessary to the administration of this chapter in the District of Columbia and elsewhere, and as may be appropriated for by Congress; and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for administering this chapter. (Aug. 23, 1935, ch. 623, § 14, 49 Stat. 734.)

§ 511n. **Hearings; examination of witnesses; refusal to testify or produce evidence.**—In carrying on the work authorized in this

chapter, the Secretary, or any officer or employee designated by him for such purpose, shall have power to hold hearings, administer oaths, sign and issue subpoenas, examine witnesses, and require the production of books, records, accounts, memoranda, and papers. Upon refusal by any person to appear, testify, or produce books, records, accounts, memoranda, and papers in response to a subpoena, the proper United States district court shall have power to compel obedience thereto. (Aug. 23, 1935, ch. 623, § 15, 49 Stat. 735.)

§511o. Separability clause.—If any provision of this chapter or the application thereof to any person or circumstance is held invalid, the validity of the remainder of the chapter and of the application of such provision to other persons and circumstances shall not be affected thereby. (Aug. 23, 1935, ch. 623, § 16, 49 Stat. 735.)

§ 511p. Execution of duties of Secretary of Agriculture by designated agents.—Any duties devolving upon the Secretary of Agriculture by virtue of the provisions of this chapter may with like force and effect be executed by such officer or officers, agent or agents, of the Department of Agriculture as the Secretary may designate for the purpose. (Aug. 23, 1935, ch. 623, § 17, 49 Stat. 735.)

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 511q. Short title.—This chapter may be cited as “The Tobacco Inspection Act.” (Aug. 23, 1935, ch. 623, § 18, 49 Stat. 735.)

Chapter 21B.—TOBACCO CONTROL

§ 515. Consent of Congress to production compacts between States; uniformity; withdrawal of consent; limitation on consent.—The Congress of the United States of America hereby consents that any of the States in which tobacco is produced may negotiate a compact or compacts for the purpose of regulating and controlling the production of, or commerce in, any one or more kinds of tobacco therein: *Provided*, That all State acts authorizing such compact or compacts shall be essentially uniform and in no way conflicting: *Provided further*, That any compact, compacts, agreement, or agreements negotiated and agreed upon by the States referred to in the Act of the General Assembly of Virginia, approved March 13, 1936 (known as the Tobacco Control Act) (Va. Code 1936, § 1399), or by any other State or States producing any type or types of tobacco referred to in said Act, which is in conformity with said Act and relating to the type or types of tobacco specifically referred to in said Act, shall become effective to the extent and in the manner provided for in said Act without further consent or ratification on the part of the Congress of the United States of America: *Provided, however*, That nothing herein contained shall be construed as preventing the Congress of the United States of America from withdrawing its consent after April 25, 1936, to any compact or agreement entered into pursuant to sections 515-515k of this title: *Provided further*,

That nothing in sections 515-515k of this title shall be construed to grant the consent of Congress to negotiate any compact for regulating or controlling the production of, or commerce in, tobacco for the purpose of fixing the price thereof, or to create or perpetuate monopoly, or to promote regimentation, but such consent shall be limited to compacts for the regulation and control of production of, or commerce in, tobacco in order thereby to enable growers to receive a fair price for such tobacco. (Apr. 25, 1936, ch. 249, § 1, 49 Stat. 1239.)

§ 515a. Definitions.—As used in sections 515-515k of this title, unless otherwise stated or unless the context or subject matter clearly indicates otherwise—

“Person” means any individual, partnership, jointstock company, corporation, or association.

“State Act” means any Act of a State legislature authorizing a compact or compacts pursuant to the consent given in section 515 of this title.

“Commission” means the tobacco commission created by any State Act.

“Secretary” means the Secretary of Agriculture of the United States.

“Kind of tobacco” means one or more types of tobacco as classified in Service and Regulatory Announcement Numbered 118 of the Bureau of Agricultural Economics of the United States Department of Agriculture as listed below according to the name or names by which known:

Types 11, 12, 13, and 14, known as flue-cured tobacco.

Type 31, known as Burley tobacco.

Types 21, 22, 23, 24, 35, 36 and 37, known as fire-cured and dark air-cured tobacco.

Types 41, 42, 43, 44, 45, and 46, known as cigar-filler tobacco.

Types 51, 52, 53, 54, and 65, known as cigar-binder tobacco.

Types 61 and 62, known as cigar-wrapper tobacco.

“Association” means any association of tobacco producers or other persons engaged in the tobacco industry, or both, formed under the laws of any State for the purpose of stabilizing the marketing of tobacco and providing crop protection to producers of tobacco in any State or States. (Apr. 25, 1936, ch. 249, § 2, 49 Stat. 1240.)

§ 515b. Advancement of funds to compacting States; repayment.—The Secretary is authorized to make advances from time to time, from the funds provided in section 515f of this title, to the tobacco commission established by the State act of each State which enters into a compact or compacts under the consent given by section 515 of this title in such amounts as the Secretary shall determine to be required for the payment of administrative expenses incurred by such commission, and under such terms and conditions with respect to the expenditure thereof as the Secretary shall stipulate: *Provided*, That each State act creating such commission shall provide for the repayment to the Secretary of such advances from any funds received by the commission from the sale of marketing certificates with respect to tobacco, prior to

the use of such funds for any other purpose. (Apr. 25, 1936, ch. 249, § 3, 49 Stat. 1240.)

§ 515c. Designation of persons to deal with compacting States.—The Secretary shall, upon the request of the Commission of any compacting State, designate such tobacco producers or other persons engaged in the tobacco industry and such officials of the United States Department of Agriculture as he deems advisable to meet with the tobacco commissions for the different States for the purpose of advising in connection with the administration of any compact or compacts entered into pursuant to sections 515-515k of this title. (Apr. 25, 1936, ch. 249, § 4, 49 Stat. 1240.)

§ 515d. Loans to associations of tobacco producers.—The Secretary, from the funds provided in section 515f of this title, is authorized to make loans for administrative purposes, upon terms and conditions stipulated by him, to such association of tobacco producers as may operate with respect to the 1936 crop in the Georgia Tobacco Belt, in a manner similar to that embodied in State acts providing for compacts under the consent given in section 515 of this title. (Apr. 25, 1936, ch. 249, § 5, 49 Stat. 1240.)

§ 515e. Availability of Department of Agriculture records and facilities to compacting States.—The Secretary is hereby authorized, upon the request of the commission of any compacting State, or at the request of any association referred to in section 515d of this title, to make available to the commission of any State or to any such association such records and information whether published or unpublished, and such facilities of the United States Department of Agriculture as the Secretary deems appropriate in aiding such commission or association. (Apr. 25, 1936, ch. 249, § 6, 49 Stat. 1241.)

§ 515f. Appropriation; disposition of repayments of loans.—(a) For the purpose of administering sections 515-515k of this title there is authorized to be appropriated to the Secretary of Agriculture the sum of \$300,000, or so much thereof as may be necessary for that purpose.

(b) Any advances or loans which are repaid to the Secretary by any commission or association pursuant to sections 515b and 515d of this title shall revert to the general fund of the Treasury of the United States. (Apr. 25, 1936, ch. 249, § 7, 49 Stat. 1241.)

§ 515g. Agencies to which funds available.—All funds available for carrying out sections 515-515k of this title shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal or State Governments as the Secretary may request to cooperate or assist in carrying out said sections. (Apr. 25, 1936, ch. 249, § 8, 49 Stat. 1241.)

§ 515h. Effect of compacts between States producing cigar tobacco on Puerto Rican commerce.—If, pursuant to sections 515-515k of this title, any compact entered into among three or more of the States of Pennsylvania, Ohio, Wisconsin, Massachusetts, Florida, and Connecticut, becomes effective, or if any association or associations are formed, the membership of which includes at least two-thirds of the producers of cigar-filler tobacco and cigar-

binder tobacco in three or more of said States, commerce in cigar-filler tobacco produced in Puerto Rico shall be regulated during the period in which any such compact remains effective or such associations continue to operate, as follows:

(a) Determination of world consumption; "crop year."—The Secretary shall determine for each crop year, by calculations from available statistics of the United States Department of Agriculture, the quantity of cigar-filler tobacco produced in the continental United States and Puerto Rico which is likely to be consumed in all countries of the world during such crop year, increased or decreased, as the case may be, by the amount by which the world stocks of cigar-filler tobacco (produced in the continental United States and Puerto Rico) at the beginning of such crop year are less than or greater than the normal stocks of such cigar-filler tobacco, as determined by the Secretary. For the purposes of this section, the Secretary shall specify as a "crop year" such period of twelve months as he deems will facilitate the administration of this section.

(b) Determination of marketing quota for Puerto Rico.—The Secretary shall determine a marketing quota for Puerto Rico for cigar-filler tobacco for each crop year in which the provisions of this section are operative. Such quota shall be that quantity of cigar-filler tobacco which bears the same proportion (subject to such adjustment, which may be cumulative from one crop year to another, not exceeding 5 per centum of said proportion in any one year, as the Secretary determines is necessary to correct for any abnormal conditions of production during any three normal crop years during the last ten years for trends in production during such crop years and for trends in consumption since such crop years) to the total quantity of cigar-filler tobacco produced in the continental United States and Puerto Rico and required for world consumption (as determined pursuant to paragraph (a) of this section) as the average production of cigar-filler tobacco in Puerto Rico in such crop years bore to the average of the total production of cigar-filler tobacco in the continental United States and Puerto Rico in such crop years.

(c) Establishment of marketing quota for each Puerto Rican farm.—The Secretary shall establish for each farm in Puerto Rico for each crop year a tobacco-marketing quota, giving due consideration to the quantity of cigar-filler tobacco marketed from the crops produced on such farm and by the operator thereof in past years; to the land, labor, and equipment available for production of tobacco on such farm; to the crop-rotation practices on such farm; and to the soil and other physical factors affecting production of tobacco on such farm: *Provided*, That the total of the marketing quotas established for all farms in Puerto Rico for any crop year shall not exceed the marketing quota for Puerto Rico for such crop year.

(d) Uniform adjustment of marketing quotas.—The marketing quota established for Puerto Rico and the marketing quotas established for farms in Puerto Rico for any crop year pursuant to paragraphs (b) and (c) of this section shall be subject to such uniform adjustment during the crop year, not exceeding 10 per

centum of said quotas, as the Secretary shall determine to be necessary to establish and maintain normal world stocks of cigar-filler tobacco produced in the continental United States and Puerto Rico and otherwise to effectuate the purposes of sections 515-515k of this title.

(e) Issuance of marking certificates.—The Secretary shall, under such terms and conditions and in accordance with such methods as may be established in regulations prescribed by him, issue, to buyers or handlers of tobacco from any farm in Puerto Rico, marketing certificates for an amount of tobacco equal to the marketing quota established for such farm, and, for any tobacco marketed in excess of such quota for such farm, sell, to the buyer or handlers of such excess tobacco, marketing certificates for a charge equal to one-third of the current market value of such tobacco, and the Secretary may require the buyer or handler of such excess tobacco to deduct the charge for marketing certificates from the price or proceeds of or advances on such tobacco.

(f) Payments for production deficits due to adverse conditions.—From the proceeds received from the sale of marketing certificates pursuant to paragraph (e) of this section, the Secretary shall make payments to the producers of tobacco on farms in Puerto Rico from which the sales of tobacco, because of weather or diseases or loss by fire affecting the tobacco crops thereon adversely during any crop year, are less than the marketing quotas for such farms for such crop year. Such payments shall be at a rate per pound of such deficit as shall be determined by dividing the funds remaining after deduction of such amount as the Secretary estimates to be necessary for the payment of administrative expenses incurred in administering the provisions of this section by the total number of pounds by which the sales of tobacco from all such farms fall below the marketing quotas for such farms.

(g) Prohibition of sale, etc, without certificate.—The sale, marketing, purchase, or transportation of any cigar-filler tobacco produced, sold, or marketed in Puerto Rico during any period of time when this section shall be in effect is hereby prohibited unless a marketing certificate has been issued for such tobacco by the Secretary pursuant to the provisions of paragraph (e) of this section. (Apr. 25, 1936, ch. 249, § 9, 49 Stat. 1241.)

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 515i. Disposition of receipts under section 515h.—Any receipts by the Secretary under section 515h of this title shall be held in a separate fund and used by the Secretary for the purpose of paying administrative expenses and expenditures incurred or made in connection with said section. (Apr. 25, 1936, ch. 249, § 10, 49 Stat. 1242.)

§515j. Separability of provisions.—If any provision of sections 515-515k of this title, or the application thereof to any person or circumstance, shall be held invalid, the validity of the re-

mainder of said sections and the application of such provision to other persons or circumstances shall not be affected thereby. (Apr. 25, 1936, ch. 249, § 11, 49 Stat. 1242.)

§ 515k. Rules and regulations.—The Secretary shall prescribe such rules and regulations as he may deem necessary to carry out the provisions of sections 515-515k of this title. (Apr. 25, 1936, ch. 249, § 12, 49 Stat. 1242.)

§ 516. Exportation of seeds or plants; permits.—It shall be unlawful to export any tobacco seed and/or live tobacco plants from the United States or any Territory subject to the jurisdiction thereof, to any foreign country, port, or place, unless such exportation and/or transportation is in pursuance of a written permit granted by the Secretary of Agriculture. Such permits shall be granted by the Secretary only upon application therefor and after proof satisfactory to him that such seed or plants are to be used for experimental purposes only. (June 5, 1940, ch. 232, § 1, 54 Stat. 231.)

APPROVAL OF PRESIDENT

Act June 5, 1940, cited to text, was received by the President May 23, 1940, and became law on June 5 under art. I, § 7, ch. 2, of the Constitution upon his failure to return it to Congress within 10 days, Sundays excepted.

§ 517. Same; penalties.—Any persons violating any of the provisions of this section or section 516 of this title shall be guilty of a misdemeanor and shall be punished by a fine of not more than \$5,000 or by imprisonment for not more than one year, or by both such fine and imprisonment. (June 5, 1940, ch. 232, § 2, 54 Stat. 231.)

EFFECTIVE DATE

See note under section 516 of this title.

Chapter 22.—AGRICULTURAL MARKETING ACT

§§ 521-535. Agricultural Marketing Act.

Sections 521-535 have become sections 1141-1141j of Title 12, Banks and Banking.

Chapter 23.—FOREIGN AGRICULTURAL SERVICE

TRANSFER OF FUNCTIONS

Foreign Agricultural Service was transferred to Department of State and consolidated with Foreign Service, and functions of Secretary of Agriculture with respect thereto (other than functions pertaining to activities in the United States and to compilation, publication, and dissemination of information) were transferred to Secretary of State by Reorganization Plan No. II, § 1 (a), (b), effective July 1, 1939, set out in note under section 133t of Title 5, Executive Departments and Government Officers and Employees. See also sections 1 (c) and 401-404 of said plan for provisions relating to transfer of functions, records, property, personnel, and funds.

§ 541. Acquisition of information regarding world competition in agricultural products; investigation of foreign methods affecting production, marketing, and distribution.—For the purpose of encouraging and promoting the agriculture of the United States and assisting American farmers to adjust their operations and practices to meet world conditions, the Secretary of State shall—

(a) Acquire information regarding world competition and demand for agricultural products and the production, marketing, and distributing of said products in foreign countries and disseminate the same through agricultural extension agencies and by such other means as may be deemed advisable.

(b) Investigate abroad farm management and any other economic phases of the agricultural industry and, insofar as is necessary to carry out the purposes of this chapter conduct abroad any activities, including the demonstration of standards for cotton, wheat, and other American agricultural products, in which the Department of Agriculture is now authorized or in the future may be authorized to engage. Nothing contained in sections 541-545 of this title shall be construed as prohibiting the Department of Agriculture from conducting abroad any activity for which authority for thus conducting it may exist. (June 5, 1930, ch. 399, § 1, 46 Stat. 497; Reorg. Plan No. 11, § 1 (a), (b), eff. July 1, 1939, 4 Fed. Reg. 2731, 53 Stat. 1431.)

TRANSFER OF FUNCTIONS

Foreign Agricultural Service and its functions transferred to Department of State, see note preceding this section.

§ 542. Foreign Agricultural Service—(a) Establishment; personnel; relation to diplomatic mission or consulate.—The representatives of the Bureau of Agricultural Economics of the Department of Agriculture on June 5, 1930, stationed abroad shall be officers of the Foreign Agricultural Service of the United States, and the Secretary of State may appoint other officers in said service from time to time in accordance with civil-service procedure. All such officers shall constitute the Foreign Agricultural Service of the United States, and shall be known as agricultural attaches, assistant agricultural attaches, or by such other titles as may be deemed appropriate by the Secretary of State. Any officer in said service, when designated by the Secretary of State, shall, through the Department of State, be regularly and officially attached to the diplomatic mission of the United States in the country in which he is to be stationed, or to the consulate of the United States, as the Secretary of State shall designate. If any such officer is to be stationed in a country where there is no diplomatic mission or consulate of the United States, appropriate recognition and standing, with full facilities for discharging his official duties, shall be arranged by the Department of State. The Secretary of State may reject the name of any such officer if, in his judgment, the attachment of such officer to the diplomatic mission or consulate at the post designated would be prejudicial to the public policy of the United States.

(b) Appointment of officers; grades; salaries.—The Secretary of State shall appoint the officers of the Foreign Agricultural Service to such grades as he may establish, with salaries in those grades comparable to those paid other officers of the Government for analogous foreign service.

(c) Promotions and demotions of officers; increase and decrease of salaries; separations from services.—The Secretary of State is authorized to promote or demote in grade or class, to increase

or decrease within the salary range fixed for the class the compensation of, and to separate from the service, officers of the Foreign Agricultural Service, but in so doing the Secretary shall take into consideration records of efficiency.

(d) Officers as having character of public minister.—No officer of the Foreign Agricultural Service shall be considered as having the character of a public minister.

(e) Assignment of officers to duties in United States.—Any officer of the Foreign Agricultural Service may be assigned for duty in the United States for a period of not more than three years without change in grade, class, or salary, or with such change as the Secretary of State may direct.

(f) Expenses of transportation and subsistence of officers and families in going to and from posts; leaves of absence; requiring service from officers on leave.—The Secretary of State is authorized to pay the expenses of transportation and subsistence of officers in the Foreign Agricultural Service of the United States and their immediate families in going to and returning from their posts under orders from the Secretary of State. The Secretary of State is further authorized, whenever he deems it in the public interest, to order to the United States on his official leave of absence any Foreign Agricultural Service officer who has performed three years or more of continuous service abroad: *Provided*, That the expenses of transportation and subsistence of such officers and their immediate families in traveling to their homes in the United States and return shall be paid under the same rules and regulations applicable in the case of officers going to and returning from their posts under orders of the Secretary of State when not on leave: *Provided further*, That while in the United States the services of such officers shall be available for such duties in the Department of Agriculture and elsewhere in the United States as the Secretary of Agriculture may prescribe. Any officer in the Foreign Agricultural Service, in the discretion of the Secretary of State, may be given leave of absence with pay for not to exceed thirty days for any one year, which may be taken in the United States or elsewhere, accumulative for three years, under such rules and regulations as the Secretary of State shall prescribe. (June 5, 1930, ch. 399, § 2, 46 Stat. 498; Reorg. Plan No. II, § 1, (a), (b), eff. July 1, 1939, 4 Fed. 2731, 53 Stat. 1431.)

TRANSFER OF FUNCTIONS

Foreign Agricultural Service and its functions transferred to Department of State, see note preceding section 541 of this title.

§ 543. Same; clerks and assistants to officers—(a) Appointment; compensation; promotion and demotion; separation from service.—Subject to the requirements of the civil service laws, and the rules and regulations promulgated thereunder, the Secretary of State is authorized to appoint, fix the compensation of, promote, demote, and separate from the service such clerks and other assistants for officers of the Foreign Agricultural Service as he may deem necessary.

(b) Employment of American citizens in foreign countries by Service officers.—When authorized by the Secretary of State,

officers of the Foreign Agricultural Service may employ American citizens in a foreign country from time to time, fix the compensation of, and separate from the service such clerical and other assistants as may be necessary. (June 5, 1930, ch. 399, § 3, 46 Stat. 499; Reorg. Plan No. II, § 1 (a), (b), eff. July 1, 1939, 4 Fed. Reg. 2731, 53 Stat. 1431.)

TRANSFER OF FUNCTIONS

Transfer of Foreign Agricultural Service and functions to Department of State, see note preceding section 541 of this title.

§ 544 Same; expenses for travel and subsistence—(a) Officers and employees of Department of Agriculture on duty outside continental limits of United States.—Any officer, assistant, clerk, or employee of the Department of Agriculture, while on duty outside of the continental limits of the United States and away from the post to which he is assigned, shall be entitled to receive his necessary traveling expenses and his actual expenses for subsistence, or a per diem in lieu of subsistence, equal to that paid to other officers of the Government when engaged in analogous foreign service.

(b) Clerical and other assistants employed by officer of Foreign Agricultural Service; allowance for subsistence while outside continental limits.—The Secretary of State may authorize any officer of the Foreign Agricultural Service to fix, in an amount not exceeding the allowance fixed for such officer, an allowance for actual subsistence, or a per diem allowance in lieu thereof, for any clerical or other assistant employed by such officer, under subdivision (b) of section 543 of this title when such clerical or other assistant is engaged in travel outside the continental limits of the United States and away from the post to which he is assigned.

(c) Officers and employees of Foreign Agricultural Service on duty within continental limits of United States; expenses for travel and subsistence.—Any officer, assistant, clerk, or employee of the Foreign Agricultural Service, while on duty within the continental limits of the United States, shall be entitled to receive the traveling expenses and actual expenses incurred for subsistence, or per diem allowance in lieu thereof, authorized by law. (June 5, 1930, ch. 399, § 4, 46 Stat. 499; Reorg. Plan. No. II, § 1 (a), (b), eff. July 1, 1939, 4 Fed. Reg. 2731, 53 Stat. 1431.)

TRANSFER OF FUNCTIONS

Transfer of Foreign Agricultural Service and functions to Department of State, see note preceding section 541 of this title.

§ 545. Authority of Secretary of Agriculture as to regulations, cooperation with various departments and agencies, and expenditures for rent, supplies, and so forth.—The Secretary of State may make such rules and regulations as may be necessary to carry out the provisions of sections 541-545 of this title and may cooperate with any department or agency of the Government, State, Territory, District, or possession, or department, agency, or political subdivision thereof, cooperative and other farm organizations, or any person, and shall have power to make such expenditures

for rent outside the District of Columbia for printing, telegrams, telephones, law books, books of reference, maps, publications, furniture, stationery, office equipment, travel and subsistence allowances and other supplies and expenses as shall be necessary to the administration of sections 541-545 of this title in the District of Columbia and elsewhere. With the approval of the Secretary of State, an officer of the Foreign Agricultural Service may enter into leases for office quarters, and may pay rent, telephone, subscriptions to publications, and other charges incident to the conduct of his office and the discharge of his duties, in advance in any foreign country where custom or practice requires payment in advance. (June 5, 1930, ch. 399, § 5, 46 Stat. 499; Reorg. Plan No. II, § 1 (a), (b), eff. July 1, 1939, 4 Fed. Reg. 2731, 53 Stat. 1431.)

TRANSFER OF FUNCTIONS

Transfer of Foreign Agricultural Service and functions to Department of State, see note preceding section 541 of this title.

Chapter 24.—PERISHABLE AGRICULTURAL COMMODITIES ACT

§§ 551-568. Perishable Agricultural Commodities Act.

Sections 551-568 have become sections 499a-499r of this title.

Chapter 25.—EXPORT STANDARDS FOR APPLES AND PEARS

§ 581. Standards of export; establishment; shipping without certificate forbidden; hearings.—It shall be unlawful for any person to ship or offer for shipment or for any carrier, or any steamship company, or any person to transport or receive for transportation to any foreign destination, except as provided in this chapter, any apples and/or pears in packages which are not accompanied by a certificate issued under authority of the Secretary of Agriculture showing that such apples or pears are of a Federal or State grade which meets the minimum of quality established by the Secretary for shipment in export. The Secretary is authorized to prescribe, by regulations, the requirements, other than those of grade, which the fruit must meet before certificates are issued. The Secretary shall provide opportunity, by public hearing or otherwise, for interested persons to examine and make recommendation with respect to any standard of export proposed to be established or designated, or regulation prescribed, by the Secretary for the purposes of this chapter. (June 10, 1933, ch. 59, § 1, 48 Stat. 123.)

§ 582. Notice of establishment of standards; shipments under contracts made before adoption of standards.—The Secretary shall give reasonable notice through one or more trade papers of the effective date of standards of export established or designated by him under this chapter: *Provided*, That any apples or pears may be certified and shipped for export in fulfillment of any contract made within six months prior to the date of such shipment if the terms of such contract were in accordance with the grades and regulations of the Secretary in effect at the time the contract was made. (June 10, 1933, ch. 59, § 2, 48 Stat. 123.)

§ 583. Foreign standards; certification of compliance.—Where the government of the country to which the shipment is to be

made has standards or requirements as to condition of apples or pears, the Secretary may in addition to inspection and certification for compliance with the standards established or designated hereunder inspect and certify for determination as to compliance with the standards or requirements of such foreign government and may provide for special certificates in such cases. (June 10, 1933, ch. 59, § 3, 48 Stat. 124.)

§ 584. Shipments of less than carload lots; exemptions.—Apples or pears in less than carload lots as defined by the Secretary may, in his discretion, be shipped to any foreign country without complying with the provisions of this chapter. (June 10, 1933, ch. 59, § 4, 48 Stat. 124.)

§ 585. Fees for inspection and certification; certificates as prima facie evidence.—For inspecting and certifying the grade, quality, and/or condition of apples and/or pears, the Secretary shall cause to be collected a reasonable fee which shall as nearly as may be cover the cost of the service rendered: *Provided*, That when cooperative arrangements satisfactory to the Secretary, or his designated representative, for carrying out the purposes of this chapter cannot be made the fees collected hereunder in such cases shall be available until expended to defray the cost of the service rendered, and in such cases the limitations on the amounts expended for the purchase and maintenance of motor-propelled passenger-carrying vehicles shall not be applicable: *Provided further*, That certificates issued by the authorized agents of the United States Department of Agriculture shall be received in all courts of the United States as prima facie evidence of the truth of the statements therein contained. (June 10, 1933, ch. 59, § 5, 48 Stat. 124.)

§ 586. Refusal of certificates for violations of laws; penalties for violations.—After opportunity for hearing the Secretary is authorized to refuse the issuance of certificates under this chapter for periods not exceeding ninety days to any person who ships or offers for shipment any apples and/or pears in foreign commerce in violation of any of the provisions of this chapter. Any person or any common carrier or any transportation agency knowingly violating any of the provisions of this chapter shall be fined not less than \$100 nor more than \$10,000 by a court of competent jurisdiction. (June 10, 1933, ch. 59, § 6, 48 Stat. 124.)

§ 587. Rules and regulations; cooperation with other agencies; compensation of officers and employees; effect on other laws relating to same subject matter.—The Secretary may make such rules, regulations, and orders as may be necessary to carry out the provisions of this chapter, and may cooperate with any department or agency of the Government, any State, Territory, District, or possession, or department, agency, or political subdivision thereof, or any person, whether operating in one or more jurisdictions; and shall have the power to appoint, remove, and fix the compensation of such officers and employees not on conflict with existing law, and make such expenditures for rent outside the District of Columbia, printing, binding, telegrams, telephones, law books, books of reference, publications, furniture, stationery,

office equipment, travel, and other supplies and expenses, including reporting services, as shall be necessary to the administration of this chapter in the District of Columbia and elsewhere, and as may be appropriated for by Congress. This chapter shall not abrogate nor nullify any other statute, whether State or Federal, dealing with the same subjects as this chapter; but it is intended that all such statutes shall remain in full force and effect except insofar as they are inconsistent herewith or repugnant hereto. (June 10, 1933, ch. 59, § 7, 48 Stat. 124.)

§ 588. **Separability clause.**—If any provision of this chapter or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the chapter and of the application of such provision to other persons and circumstances shall not be affected thereby. (June 10, 1933, ch. 59, § 8, 48 Stat. 124.)

§ 589. **Definitions.**—When used in this chapter—

(1) The term “person” includes individuals, partnerships, corporations, and associations.

(2) The term “Secretary of Agriculture” means the Secretary of Agriculture of the United States.

(3) Except as provided herein, the term “foreign commerce” means commerce between any State, or the District of Columbia, and any place outside of the United States or its possessions.

(4) The term “apples and/or pears” means fresh whole apples or pears, whether or not they have been in storage. (June 10, 1933, ch. 59, § 9, 48 Stat. 124.)

Chapter 26.—AGRICULTURAL ADJUSTMENT ACT OF 1933

DECLARATION OF CONDITIONS AND POLICY

§ 601. **Declaration of conditions.**—It is hereby declared that the disruption of the orderly exchange of commodities in interstate commerce impairs the purchasing power of farmers and destroys the value of agricultural assets which support the national credit structure and that these conditions affect transactions in agricultural commodities with a national public interest, and burden and obstruct the normal channels of interstate commerce. (May 12, 1933, ch. 25, title I, § 1, 48 Stat. 31; June 3, 1937, ch. 296, §§ 1, 2 (a), 50 Stat. 246.)

VALIDITY OF CERTAIN SECTIONS AFFIRMED

Act June 3, 1937, ch. 296, §§ 1, 2, 50 Stat. 246, provided as follows:

“The following provisions of the Agricultural Adjustment Act, as amended, not having been intended for the control of the production of agricultural commodities, and having been intended to be effective irrespective of the validity of any other provision of that Act are expressly affirmed and validated, and are reenacted without change except as provided in section 2:

“(a) Section 1 (relating to the declaration of emergency [this section]);

“(b) Section 2 (relating to declaration of policy [section 602 of this title]);

“(c) Section 8a (5), (6), (7), (8), and (9) (relating to violations and enforcement [section 608a (5), (6), (7), (8), and (9) of this title]);

“(d) Section 8b (relating to marketing agreements [section 608b of this title]);

“(e) Section 8c (relating to orders [section 608c of this title]);

"(f) Section 8d (relating to books and records [section 608d of this title]);

"(g) Section 8e (relating to determination of base period [section 608e of this title]);

"(h) Section 10 (a), (b) (2), (c), (f), (g), (h), and (i) (miscellaneous provisions [section 610 (a), (b) (2), (c), (f), (g), (h), and (i) of this title]);

"(i) Section 12 (a) and (c) (relating to appropriation and expenses);

"(j) Section 14 (relating to separability [section 614 of this title]);

"(k) Section 22 (relating to imports [section 624 of this title]).

"SEC. 2. The following provisions, reenacted in section 1 of this act, are amended as follows: * * * [sections 601, 602 (1), 608a (6), 608c (5) (B) (d), (6), (B), (18), (19), 610 (c), (f), 612 (a)]."

Section 2 of act June 3, 1937, also added subdivision (j) to section 610.

Said section 2 of act June 3, 1937, was amended by act August 5, 1937, ch. 567, 50 Stat. 563, which amending act provided for amendments to subdivisions (2) and (6) of section 608c of this title.

TERMINATION OF APPLICATION TO SUGAR

Provisions of this section ceased to apply to sugar on Sept. 1, 1937. See section 1180 of this title.

§ 602. Declaration of policy; establishment of base periods for prices.—It is hereby declared to be the policy of Congress—

(1) Through the exercise of the powers conferred upon the Secretary of Agriculture under this chapter, to establish and maintain such orderly marketing conditions for agricultural commodities in interstate commerce as will establish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the base period. The base period in the case of all agricultural commodities except tobacco and potatoes shall be the prewar period, August 1909-July 1914. In the case of tobacco and potatoes, the base period shall be the postwar period, August 1919-July 1929; and, in the case of all commodities for which the base period is the pre-war period, August 1909 to July 1914, will also reflect current interest payments per acre on farm indebtedness secured by real estate and tax payments per acre on farm real estate, as contrasted with such interest payments and tax payments during the base period.

(2) To protect the interest of the consumer by (a) approaching the level of prices which it is declared to be the policy of Congress to establish in subsection (1) of this section by gradual correction of the current level at as rapid a rate as the Secretary of Agriculture deems to be in the public interest and feasible in view of the current consumptive demand in domestic and foreign markets, and (b) authorizing no action under this title which has for its purpose the maintenance of prices to farmers above the level which it is declared to be the policy of Congress to establish in subsection (1) of this section. (May 12, 1933, ch. 25, title I, § 2, 48 Stat. 32; Aug. 24, 1935, ch. 641, §§ 1, 62, 49 Stat. 750, 782; June 3, 1937, ch. 296, §§ 1, 2 (b), 50 Stat. 246, 247.)

VALIDITY OF SECTION AFFIRMED

Act June 3, 1937, ch. 296, § 1, 50 Stat. 246, affirmed and validated, and reenacted without change the provisions of this section except for the amendment to subdivision (1) by section 2 of the act. See note to section 601 of this title.

TERMINATION OF APPLICATION TO SUGAR

Provisions of this section ceased to apply to sugar on Sept. 1, 1937. See section 1180 of this title.

COTTON OPTION CONTRACTS

§ 603. Government owned cotton; transfer to Secretary of Agriculture; powers of Secretary.—The Farm Credit Administration and all departments and other agencies of the Government, not including the Federal intermediate credit banks are hereby directed—

(a) To sell to the Secretary of Agriculture at such price as may be agreed upon, not in excess of the market price, all cotton now owned by them.

(b) To take such action and to make such settlements as are necessary in order to acquire full legal title to all cotton on which money has been loaned or advanced by any department or agency of the United States, including futures contracts for cotton or which is held as collateral for loans or advances and to make final settlement of such loans and advances as follows:

(1) In making such settlements with regard to cotton, including operations to which such cotton is related, such cotton shall be taken over by all such departments or agencies other than the Secretary of Agriculture at a price or sum equal to the amounts directly or indirectly loaned or advanced thereon and outstanding, including loans by the Government, department or agency and any loans senior thereto, plus any sums required to adjust advances to growers to 90 per centum of the value of their cotton at the date of its delivery in the first instance as collateral to the department or agency involved, such sums to be computed by subtracting the total amount already advanced to growers on account of pools of which such cotton was a part, from 90 per centum of the value of the cotton to be taken over as of the time of such delivery as collateral, plus unpaid accrued carrying charges and operating costs on such cotton, less, however, any existing assets of the borrower derived from net income, earnings, or profits arising from such cotton, and from operations to which such cotton is related; all as determined by the department or agency making the settlement.

(2) The Secretary of Agriculture shall make settlements with respect to cotton held as collateral for loans or advances made by him on such terms as in his judgment may be deemed advisable, and to carry out the provisions of this section, is authorized to indemnify or furnish bonds to warehousemen for lost warehouse receipts and to pay the premiums on such bonds.

When full legal title to the cotton referred to in (b) has been acquired, it shall be sold to the Secretary of Agriculture for the purposes of this section, in the same manner as provided in (a).

(c) The Secretary of Agriculture is hereby authorized to purchase the cotton specified in paragraphs (a) and (b). (May 12, 1933, ch. 25, title I, § 3, 48 Stat. 32; Ex. Ord. No. 6084, Mar 22, 1933.)

§ 604. Borrowing money; expenditures of funds; authority of Secretary of Agriculture.—(a) The Secretary of Agriculture shall have authority to borrow money upon all cotton in his possession

or control and may, at his discretion, deposit as collateral for such loans the warehouse receipts for such cotton.

(b) The Secretary of the Treasury is authorized to advance, in his discretion, out of any money in the Treasury not otherwise appropriated, the sum of \$100,000,000 to the Secretary of Agriculture, for paying off any debt or debts which may have been or may be incurred by the Secretary of Agriculture and discharging any lien or liens which may have arisen or may arise pursuant to sections 603-607 of this title, for protecting title to any cotton which may have been or may be acquired by the Secretary of Agriculture under authority of sections 603-607 of this title, and for paying any expenses (including, but not limited to, warehouse charges, insurance, salaries, interest, costs, and commissions) incident to carrying, handling, insuring, and marketing of said cotton and for the purposes described in subsection (e) of this section. This sum shall be available until the cotton acquired by the Secretary of Agriculture under authority of this chapter, including cotton futures, shall have been finally marketed by any agency which may have been or may be established by the Secretary of Agriculture for the handling, carrying, insuring, or marketing of any cotton acquired by the Secretary of Agriculture.

(c) The funds authorized by subsection (b) of this section shall be made available to the Secretary of Agriculture from time to time upon his request and with the approval of the Secretary of the Treasury. Each such request shall be accompanied by a statement showing by weight and average grade and staple the quantity of cotton held by the Secretary of Agriculture and the approximate aggregate market value thereof.

(d) It is the purpose of subsections (b) and (c) to provide an alternative method to that provided by subsection (a), for enabling the Secretary of Agriculture to finance the acquisition, carrying, handling, insuring, and marketing of cotton acquired by him under authority of section 603 of this title. The Secretary of Agriculture may at his discretion make use of either or both of the methods provided in this section for obtaining funds for the purposes hereinabove enumerated.

(e) The Secretary of Agriculture is authorized to use in his discretion any funds obtained by him pursuant to the provisions of subsection (a) or (b) of this section or of section 605 of this title for making advances to any agency which may have been or may be established by the Secretary of Agriculture for the handling, carrying, insuring, or marketing of any cotton acquired by the Secretary of Agriculture, to enable any such agency to perform, exercise, and discharge any of the duties, privileges, and functions which such agency may be authorized to perform, exercise, or discharge.

(f) The proceeds derived from the sale of cotton shall be held for the Secretary of Agriculture by the Treasurer of the United States in a special deposit account and shall be used by the Secretary of Agriculture to discharge the obligations incurred under authority of sections 603-607 of this title. Whenever any cotton shall be marketed the net proceeds (after discharge of other obligations incurred with respect thereto) derived from the sale

thereof shall be used, to the extent required, to reimburse the Treasury for such portion of the funds hereby provided for as shall have been used, which shall be covered into the Treasury as a miscellaneous receipt. If when all of the cotton acquired by the Secretary of Agriculture shall have been marketed and all of the obligations incurred with respect to such cotton shall have been discharged, and the Treasury reimbursed for any and all sums which may have been advanced pursuant to subsection (b), there shall remain any balance in the hands of the Secretary of Agriculture, such balance shall be covered into the Treasury as miscellaneous receipts.

The word "obligation" when used in this section shall include (without being limited to) administrative expenses, warehouse charges, insurance, salaries, interest, costs, commissions, and other expenses incident to handling, carrying, insuring, and marketing of said cotton. (May 12, 1933, ch. 25, title I, § 4, 48 Stat. 33; June 19, 1934, ch. 648, title II, § 1, 48 Stat. 1058; Aug. 24, 1935, ch. 641, §§ 35, 36, 49 Stat. 775.)

§ 605. Loans from Reconstruction Finance Corporation; warehouse receipts as collateral.—The Reconstruction Finance Corporation is hereby authorized and directed to advance money and to make loans to the Secretary of Agriculture for the purpose of providing funds with which to enable the Secretary of Agriculture to perform the duties and functions which he is directed or authorized to perform under the provisions of sections 603-607 of this title, provided such advance of money or such loans shall not be for amounts in excess of the market value of the cotton, or the interest of the Secretary of Agriculture in the cotton, against which the advance or loan is to be made at the time such advance or loan may be applied for by the Secretary of Agriculture, plus costs, expenses, and commissions incurred incidental to handling, carrying, and marketing of such cotton. The Secretary of Agriculture shall not be required to pledge or deposit warehouse receipts or other evidences of title to cotton as security for any advance of money or loans made pursuant hereto, but it shall be sufficient if the Secretary shall give to the Reconstruction Finance Corporation a written statement showing the quantity of cotton by weight and the average grade and staple of the cotton against which the advance or loan is to be made. The amount of notes, bonds, debentures, and other obligations which the Reconstruction Finance Corporation is authorized and empowered to issue and to have outstanding at any one time under existing law is hereby increased by an amount sufficient to carry out the provisions of this section. (May 12, 1933, ch. 25, title I, § 5, 48 Stat. 33; June 19, 1934, ch. 648, title II, § 1, 48 Stat. 1059.)

CROSS REFERENCE

Cancellation of notes of Reconstruction Finance Corporation given for loans under this section, see section 611a of Title 15, Commerce and Trade.

§ 606. Repealed. Aug. 24, 1935, ch. 641, § 34, 49 Stat. 775.

Section was from act May 12, 1933, ch. 25, title I, § 6, 48 Stat. 33.

§ 607. Sale by Secretary; additional options; validation of as-

signments; publication of information.—The Secretary shall sell cotton held or acquired by him pursuant to authority of this chapter at his discretion subject only to the conditions and limitations of this chapter: *Provided*, That the Secretary shall have authority to enter into option contracts with producers of cotton to sell to or for the producers such cotton held and/or acquired by him in such amounts and at such prices and upon such terms and conditions as he, the Secretary, may deem advisable, and such option contracts may be transferred or assigned in such manner as the Secretary of Agriculture may prescribe.

Notwithstanding any provisions contained in option contracts heretofore issued and/or any provision of law, assignments made prior to January 11, 1934, of option contracts exercised prior to January 18, 1934, shall be deemed valid upon determination by the Secretary that such assignment was an assignment in good faith of the full interest in such contract and for full value and is free from evidence of fraud or speculation by the assignee.

Notwithstanding any provision of existing law, the Secretary of Agriculture may, in the administration of this chapter, make public such information as he deems necessary in order to effectuate the purposes of such chapter. (May 12, 1933, ch. 25, title I, § 7, 48 Stat. 34; June 16, 1933, ch. 90, title II, § 221, 48 Stat. 210; Aug. 24, 1935, ch. 641, § 33, 49 Stat. 775.)

COMMODITY BENEFITS

§ 608. General powers of Secretary—(1) Investigations; proclamation of findings.—Whenever the Secretary of Agriculture has reason to believe that:

(a) The current average farm price for any basic agricultural commodity is less than the fair exchange value thereof, or the average farm price of such commodity is likely to be less than the fair exchange value thereof for the period in which the production of such commodity during the current or next succeeding marketing year is normally marketed, and

(b) The conditions of and factors relating to the production, marketing, and consumption of such commodity are such that the exercise of any one or more of the powers conferred upon the Secretary under subsections (2) and (3) of this section would tend to effectuate the declared policy of this chapter,

he shall cause an immediate investigation to be made to determine such facts. If, upon the basis of such investigation, the Secretary finds the existence of such facts, he shall proclaim such determination and shall exercise such one or more of the powers conferred upon him under subsections (2) and (3) of this section as he finds upon the basis of an investigation, administratively practicable and best calculated to effectuate the declared policy of this chapter.

(2) Agreements for adjustment of acreage or production and for rental or benefit payments.—Subject to the provisions of subsection (1) of this section, the Secretary of Agriculture shall provide, through agreements with producers or by other voluntary methods,

(a) For such adjustment in the acreage or in the production for market, or both, of any basic agricultural commodity, as he finds, upon the basis of the investigation made pursuant to subsection (1) of this section, will tend to effectuate the declared policy of this chapter, and to make such adjustment program practicable to operate and administer, and

(b) For rental or benefit payments in connection with such agreements or methods in such amounts as he finds, upon the basis of such investigation, to be fair and reasonable and best calculated to effectuate the declared policy of this title and to make such program practicable to operate and administer, to be paid out of any moneys available for such payments or, subject to the consent of the producer, to be made in quantities of one or more basic agricultural commodities acquired by the Secretary pursuant to this chapter.

(3) Payments by Secretary.—Subject to the provisions of subsection (1) of this section, the Secretary of Agriculture shall make payments, out of any moneys available for such payments, in such amounts as he finds, upon the basis of the investigation made pursuant to subsection (1) of this section, to be fair and reasonable and best calculated to effectuate the declared policy of this chapter:

(a) To remove from the normal channels of trade and commerce quantities of any basic agricultural commodity or product thereof;

(b) To expand domestic or foreign markets for any basic agricultural commodity or product thereof;

(c) In connection with the production of that part of any basic agricultural commodity which is required for domestic consumption.

(4) Additional investigation; suspension of exercise of powers.—Whenever, during a period during which any of the powers conferred in subsection (2) or (3) is being exercised, the Secretary of Agriculture has reason to believe that, with respect to any basic agricultural commodity

(a) The current average farm price for such commodity is not less than the fair exchange value thereof, and the average farm price for such commodity is not likely to be less than the fair exchange value thereof for the period in which the production of such commodity during the current or next succeeding marketing year is normally marketed, or

(b) The conditions of and factors relating to the production, marketing, and consumption of such commodity are such that none of the powers conferred in subsections (2) and (3), and no combination of such powers, would, if exercised, tend to effectuate the declared policy of this chapter, he shall cause an immediate investigation to be made to determine such facts. If, upon the basis of such investigation, the Secretary finds the existence of such facts, he shall proclaim such determination, and shall not exercise any of such powers with respect to such commodity after the end of the marketing year current at the time when such proclamation is made and prior to a new proclamation under subsection (1) of this section, except insofar as the exercise

of such power is necessary to carry out obligations of the Secretary assumed, prior to the date of such proclamation made pursuant to this subsection, in connection with the exercise of any of the powers conferred upon him under subsections (2) or (3) of this section.

(5) Hearings; notice.—In the course of any investigation required to be made under subsection (1) or subsection (4) of this section, the Secretary of Agriculture shall hold one or more hearings, and give due notice and opportunity for interested parties to be heard.

(6) Commodity in which payment made.—No payment under this chapter made in an agricultural commodity acquired by the Secretary in pursuance of this chapter shall be made in a commodity other than that in respect of which the payment is being made. For the purposes of this subsection, hogs and field corn may be considered as one commodity.

(7) Additional payments to producers of sugar beets or sugarcane.—In the case of sugar beets or sugarcane, in the event that it shall be established to the satisfaction of the Secretary of Agriculture that returns to growers or producers, under the contracts for the 1933-1934 crop of sugar beets or sugarcane, entered into by and between the processors and producers and/or growers thereof, were reduced by reason of the payment of the processing tax, and/or the corresponding floor stocks tax, on sugar beets or sugarcane, in addition to the foregoing rental or benefit payments, the Secretary of Agriculture shall make such payments, representing in whole or in part such tax, as the Secretary deems fair and reasonable, to producers who agree, or have agreed, to participate in the program for reduction in the acreage or reduction in the production for market, or both, of sugar beets or sugarcane.

(8) Pledge by rice producer for production credit of right to rental or benefit payments.—In the case of rice, the Secretary of Agriculture, in exercising the power conferred upon him by subsection (2) of this section to provide for rental or benefit payments, is directed to provide in any agreement entered into by him with any rice producer pursuant to such subsection, upon such terms and conditions as the Secretary determines will best effectuate the declared policy of this chapter, that the producer may pledge for production credit in whole or in part his right to any rental or benefit payments under the terms of such agreement and that such producer may designate therein a payee to receive such rental or benefit payments.

(9) Advances of payments on stored nonperishable commodity.—Under regulations of the Secretary of Agriculture requiring adequate facilities for the storage of any nonperishable agricultural commodity on the farm, inspection and measurement of any such commodity so stored, and the locking and sealing thereof, and such other regulations as may be prescribed by the Secretary of Agriculture for the protection of such commodity and for the marketing thereof, a reasonable percentage of any benefit payment may be advanced on any such commodity so stored. In any such case, such deduction may be made from the amount of

the benefit payment as the Secretary of Agriculture determines will reasonably compensate for the cost of inspection and sealing but no deduction may be made for interest. (May 12, 1933, ch. 25, title I, § 8, 48 Stat. 34; Apr. 7, 1934, ch. 103, § 7, 48 Stat. 528; May 9, 1934, 11:23 a. m., ch. 263, § 14, 48 Stat. 672; Mar. 18, 1935, ch. 32, § 7, 49 Stat. 46; Aug. 24, 1935, ch. 641, §§ 2, 4-7, 49 Stat. 751, 753-762.)

CROSS REFERENCES

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

TERMINATION OF APPLICATION TO SUGAR

Provisions of this section ceased to apply to sugar on Sept. 1, 1937. See section 1180 of this title.

VALIDITY OF AGREEMENTS AND LICENSES PRESERVED UNDER 1935 ACT

Section 38 of the act August 24, 1935, ch. 641, 49 Stat. 776, which amended this chapter, generally provided as follows: "Nothing contained in this Act shall (a), invalidate any marketing agreement or license in existence on the date of the enactment hereof, or any provision thereof, or any act done pursuant thereto, either before or after the enactment of this Act, or (b) impair any remedy provided for on the date of the enactment thereof for the enforcement of any such marketing agreement or license, or (c) invalidate any agreement entered into pursuant to section 8 (1) of the Agricultural Adjustment Act prior to the enactment of this Act, or subsequent to the enactment of this Act in connection with a program the initiation of which has been formally approved by the Secretary of Agriculture under such section 8 (1) prior to the enactment of this Act, or any act done or agreed to be done or any payment made or agreed to be made in pursuance of any such agreement, either before or after the enactment of this Act, or any change in the terms and conditions of any such agreement, or any voluntary arrangements or further agreements which the Secretary finds necessary or desirable in order to complete or terminate such program pursuant to the declared policy of the Agricultural Adjustment Act: *Provided*, That the Secretary shall not prescribe, pursuant to any such agreement or voluntary arrangement, any adjustment in the acreage or in the production for market of any basic agricultural commodity to be made after July 1, 1937, except pursuant to the provisions of section 8 of the Agricultural Adjustment Act as amended by this Act."

§ 608.1. Adjustments between payee and third persons; definitions.—Where an agricultural adjustment or conservation payment has been made to a person, and all or a part of such payment was earned by a second person by virtue of his having, in good faith, contributed to the rendering of performance for which the payment was made, but who did not enter into or apply for an adjustment contract prior to January 6, 1936, or with respect to any agricultural conservation payment did not apply for payment prior to the expiration of the obligating period of the applicable appropriation or prior to any earlier administrative closing date authorized by the Secretary of Agriculture, and the first person turned over to the second person, as substantiated by evidence acceptable to the Secretary, all or a part of the share of such payment so earned by the second person or refunds all or a part of such share to the United States, such second person shall be deemed to have been entitled to receive such sum from the first person, or where such amount is refunded to the United States shall be entitled to receive from the United States the amounts so refunded, as a discharge, to the extent of the amount turned over to, or received by, such second person, of an obligation or

commitment which is hereby deemed to have arisen by virtue of his contribution to the performance rendered.

An agricultural adjustment payment under this section shall be considered to be a payment made under section 608 of this title or the item entitled "Payments for agricultural adjustment", contained in the Supplemental Appropriation Act, fiscal year 1936, as amended by the Act of June 25, 1936; and an agricultural conservation payment under this section shall be considered to be a payment made under section 590h of Title 16 under any program formulated for any year from 1936 to 1939, inclusive. (July 2, 1940, ch. 521, § 9, 54 Stat. 729.)

CODIFICATION

This section is not a part of the Agricultural Adjustment Act of 1933. It is also set out as section 590h-2 of Title 16, Conservation.

§ 608a. Sugar quotas. (1) Establishment and regulation of quotas of sugar.—Having due regard to the welfare of domestic producers and to the protection of domestic consumers and to a just relation between the prices received by domestic producers and the prices paid by domestic consumers, the Secretary of Agriculture may, in order to effectuate the declared policy of this chapter, from time to time, by orders or regulations—

(A) (i) Forbid processors, handlers of sugar, and others from importing sugar into continental United States for consumption, or which shall be consumed therein, and/or from transporting to, receiving in, processing or marketing in, continental United States, and/or from processing in any area to which the provisions of this title with respect to sugar beets and sugarcane may be made applicable, for consumption in continental United States, sugar from the Virgin Islands, the Philippine Islands, the Canal Zone, American Samoa, the island of Guam, and from foreign countries, including Cuba, respectively, in excess of quotas fixed by the Secretary of Agriculture, for any calendar year, based on average quantities therefrom brought into or imported into continental United States for consumption, or which was actually consumed, therein, during such three years, respectively, in the years 1925-1933, inclusive, as the Secretary of Agriculture may, from time to time, determine to be the most representative respective three years, adjusted, together with the quotas established pursuant to paragraph (ii), (in such manner as the Secretary shall determine) to the remainder of the total estimated consumption requirements of sugar for continental United States, determined pursuant to subsection (2) of this section, after deducting therefrom the quotas for continental United States, provided for by paragraph (B) of this subsection: *Provided, however,* That in such quotas there may be included, in the case of the Virgin Islands, the Philippine Islands, the Canal Zone, American Samoa, and the island of Guam, direct-consumption sugar up to an amount not exceeding the respective quantities of direct-consumption sugar therefrom brought into or imported into continental United States for consumption, or which was actually consumed, therein during the year 1931, 1932, or 1933, whichever is greater, and in the case of Cuba, direct-consumption sugar up

to an amount not exceeding 22 per centum of the quota established for Cuba: *And provided further*, That any imported sugar, with respect to which a drawback of duty is allowed, under the provisions of section 1313 of Title 19, shall not be charged against the quota established by the Secretary of Agriculture hereunder for the country from which such sugar was imported, and the Secretary of Agriculture may, by orders or regulations, readjust any quota subject to the provisions of this section, except quotas fixed by paragraph (B) of this subsection; and may allot (or appoint an officer, including the Governor General of the Philippine Islands for that area, in his name to allot) any quota, and readjust any such allotment, from time to time, among the processors, handlers of sugar and others; and/or

(ii) Forbid processors, handlers of sugar, and others from transporting to, receiving in, processing or marketing in, continental United States, and/or from processing in the Territory of Hawaii or Puerto Rico for consumption in continental United States, sugar from the Territory of Hawaii or Puerto Rico, in excess of quotas fixed by the Secretary of Agriculture, for any calendar year, based on average quantities therefrom brought into continental United States for consumption, or which was actually consumed, therein during such three years, respectively, in the years 1925-1933, inclusive, as the Secretary of Agriculture may, from time to time, determine to be the most representative respective three years, adjusted, together with the quotas established pursuant to paragraph (i) (in such manner as the Secretary shall determine), to the remainder of the total estimated consumption requirements of sugar for continental United States, determined pursuant to subsection (2) of this section, after deducting therefrom the quotas for continental United States, provided for by paragraph (B) of this subsection: *Provided, however*, That in such quotas there may be included direct-consumption sugar up to an amount not exceeding the respective quantities of direct-consumption sugar therefrom brought into continental United States for consumption, or which was actually consumed, therein during the year 1931, 1932, or 1933, whichever is greater, and the Secretary of Agriculture may, by orders or regulations, allot such quotas and readjust any such allotment, from time to time, among the processors, handlers of sugar, and others; and/or

(B) Forbid processor, persons engaged in the handling of sugar, and others from marketing in, or in the current of, or so as directly to burden, obstruct, or affect, interstate or foreign commerce, sugar manufactured from sugar beets and/or sugarcane, produced in the continental United States beet-sugar-producing area, the States of Louisiana and Florida, and any other State or States in excess of the following quotas, for any calendar year, except as provided for in subsection (2) of this section: United States beet-sugar area, one million five hundred and fifty thousand short tons raw value; the States of Louisiana and Florida, except as may be provided under paragraph (C) of this subsection, two hundred and sixty thousand short tons raw value; and the Secretary of Agriculture may, by orders or regulations, allot such

quotas and readjust any such allotment, from time to time, among the processors, persons engaged in the handling of sugar, and others; and/or

(C) For any calendar year, determine the quota, but not less than the quota provided in paragraph (B), for any area producing less than two hundred and fifty thousand long tons of sugar raw value during the next preceding calendar year; and/or

(D) Establish a separate quota or quotas for edible molasses and/or sirup of cane juice produced in continental United States, in addition to, and/or for edible molasses, sirups, and sugar mixtures produced in any other area or areas to which this title relates, as part of or in addition to, the quotas established pursuant to paragraph (A) to (C), inclusive, of this subsection, for use as such and not for the extraction of sugar.

(2) Determination of quotas for sugar.—(A) The consumption requirements of sugar for continental United States, for the calendar year 1934, and for each succeeding calendar year, shall be determined by the Secretary of Agriculture from available statistics of the Department of Agriculture. The consumption requirements so determined shall, at such intervals as the Secretary finds necessary to effectuate the declared policy and the purposes of this chapter, be adjusted by him to meet the actual requirements of the consumer as determined by the Secretary.

(B) In the event that available statistics of the Department of Agriculture during the course of any calendar year indicate that the consumption requirements of sugar for continental United States for such calendar year will exceed the amount of the consumption requirements determined for that year, the Secretary of Agriculture may prorate such estimated excess amount on the basis of the respective quotas determined by and pursuant to subsection (1) of this section: *Provided, however,* That for each calendar year there shall be allotted to continental United States not less than 30 per centum of any amount of consumption requirements therefor above six million four hundred and fifty-two thousand short tons raw value.

(C) In the event that available statistics of the Department of Agriculture during the course of any calendar year indicate that the consumption requirements of sugar for continental United States for such year will be less than the amount of the consumption requirements determined for that year, the amount of such deficiency may be proportionately deducted from the respective quotas determined by and pursuant to paragraph (A) of subsection (1) of this section.

(D) If, during any calendar year, any producing area is unable to produce and deliver its full quota of sugar, the Secretary of Agriculture may prorate this deficiency among the other areas on the basis of their respective quotas and ability to supply the deficiency.

(E) Notwithstanding the provisions of paragraphs (A) to (C), inclusive, of subsection (1) of this section, the Secretary of Agriculture may, in order to effectuate the declared policy of this chapter, from time to time, by orders or regulations, deduct from the quotas for production, importing, receiving and/or marketing,

and/or from the allotments thereof, established pursuant to said paragraphs, in any given year, an amount for each year, respectively, representing the surplus stocks of sugar produced in that area, or a portion of the total surplus stocks of sugar produced in that area, in whole or in part, which may have accumulated in the year next preceding, over and above the quotas established for such year.

(3) Limitation or regulation of child labor in sugar industry; wages; adjustment of disputes.—In order more fully to effectuate the declared policy of this chapter, as set forth in its declaration of policy, and to insure the equitable division between producers and/or growers and/or the processors of sugar beets or sugarcane of any of the proceeds which may be derived from the growing, processing, and/or marketing of such sugar beets or sugarcane, and the processing and/or marketing of the products and by products thereof, all agreements authorized by this chapter relating to sugar beets, sugarcane, or the products thereof may contain provisions which will limit or regulate child labor, and will fix minimum wages for workers or growers employed by the producers and/or processors of sugar beets and/or sugarcane who are parties to such agreements; and the Secretary, upon the request of any producer, or grower, or worker, or of any association of producers, or growers, or workers, or of any processor, of sugar beets or sugarcane, is hereby authorized to adjudicate any dispute as to any of the terms under which sugar beets or sugarcane are grown or are to be grown and/or marketed, and the sugar and byproducts thereof are to be marketed. The decision and any determination of the Secretary shall be final.

(4) Penalties.—Any person willfully violating any order or regulation of the Secretary of Agriculture issued under this section shall, upon conviction, be punished by a fine of not more than \$100.

(5) Forfeitures.—Any person willfully exceeding any quota or allotment fixed for him under this chapter by the Secretary of Agriculture, and any other person knowingly participating, or aiding, in the exceeding of said quota or allotment shall forfeit to the United States a sum equal to three times the current market value of such excess, which forfeiture shall be recoverable in a civil suit brought in the name of the United States.

(6) Jurisdiction of district courts.—The several district courts of the United States are hereby vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating any order, regulation, or agreement, heretofore or hereafter made or issued pursuant to this chapter, in any proceeding now pending or hereafter brought in said courts.

(7) Duties of district attorneys; investigation of violations by Secretary; hearings.—Upon the request of the Secretary of Agriculture, it shall be the duty of the several district attorneys of the United States, in their respective districts, under the directions of the Attorney General, to institute proceedings to enforce the remedies and to collect the forfeitures, provided for in, or pursuant to, this chapter. Whenever the Secretary, or such officer or employee of the Department of Agriculture as he may designate

for the purpose, has reason to believe that any handler has violated, or is violating, the provisions of any order or amendment thereto issued pursuant to sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, the Secretary shall have power to institute an investigation and, after due notice to such handler, to conduct a hearing in order to determine the facts for the purpose of referring the matter to the Attorney General for appropriate action.

(8) Cumulative remedies.—The remedies provided for in this section shall be in addition to, and not exclusive of, any of the remedies or penalties provided for elsewhere in this chapter or now or hereafter existing at law or in equity.

(9) "Person" defined.—The term "person" as used in this chapter includes an individual, partnership, corporation, association, and any other business unit. (May 12, 1933, ch. 25, title I, § 8a, as added May 9, 1934; 11:23 a. m., ch. 263, § 4, 48 Stat. 672; Aug. 24, 1935, ch. 641, §§ 8-10, 49 Stat. 762; June 3, 1937, ch. 296, §§ 1, 2 (c), 50 Stat. 246, 247.)

VALIDITY OF SECTION AFFIRMED

Act June 3, 1937, ch. 296, § 1, 50 Stat. 246, affirmed and validated, and reenacted without change the provisions of subdivisions (5), (6), (7), (8), and (9) of this section, except for the amendment to subdivision (6) by section 2 of the act. See note to section 601 of this title.

TERMINATION OF APPLICATION TO SUGAR

Provisions of this section ceased to apply to sugar on September 1, 1937. See section 1180 of this title.

§ 608a-1. Repealed Sept. 1, 1937, ch. 898, title V, § 510, 50 Stat. 916.

Section was from act June 19, 1936, ch. 612, § 2, 49 Stat. 1539. See section 1180 of this title.

§ 608b. Marketing agreements; exemption from antitrust laws; loans from Reconstruction Finance Corporation.—In order to effectuate the declared policy of this chapter, the Secretary of Agriculture shall have the power, after due notice and opportunity for hearing, to enter into marketing agreements with processors, producers, associations of producers, and others engaged in the handling of any agricultural commodity or product thereof, only with respect to such handling as is in the current of interstate or foreign commerce or which directly burdens, obstructs, or affects, interstate or foreign commerce in such commodity or product thereof. The making of any such agreement shall not be held to be in violation of any of the antitrust laws of the United States, and any such agreement shall be deemed to be lawful: *Provided*, That no such agreement shall remain in force after the termination of this chapter. For the purpose of carrying out any such agreement the parties thereto shall be eligible for loans from the Reconstruction Finance Corporation under section 605 of Title 15. Such loans shall not be in excess of such amounts as may be authorized by the agreements. (May 12, 1933, ch. 25, title I, § 8 (2), 48 Stat. 34; Apr. 7, 1934, ch. 103, § 7, 48 Stat. 528; as renumbered § 8b and amended Aug. 24, 1935, ch. 641, § 4, 49 Stat. 753; June 3, 1937, ch. 296, § 1, 50 Stat. 246.)

VALIDITY OF SECTION AFFIRMED

Act June 3, 1937, ch. 296, § 1, 50 Stat. 246, affirmed and validated, and reenacted without change the provisions of this section. See note to section 601 of this title.

CODIFICATION

The provisions now appearing in this section, except the first sentence, were originally enacted as part of section 8, subsection 2, of the act of May 12, 1933, cited to the text, and formerly appeared as section 608 (2) of this chapter.

The act of August 24, 1935, cited to the text, designated said subsection 2 as section 8b and changed the first sentence to read as it now appears in the text.

TERMINATION OF APPLICATION TO SUGAR

Provisions of this section ceased to apply to sugar on September 1, 1937. See section 1180 of this title.

§ 608c. Orders regulating handling of commodity—(1) Issuance by Secretary.—The Secretary of Agriculture shall, subject to the provisions of this section, issue, and from time to time amend, orders applicable to processors, associations of producers, and others engaged in the handling of any agricultural commodity or product thereof specified in subsection (2) of this section. Such persons are referred to in this chapter as “handlers.” Such orders shall regulate, in the manner hereinafter in this section provided, only such handling of such agricultural commodity, or product thereof, as is in the current of interstate or foreign commerce, or which directly burdens, obstructs, or affects, interstate or foreign commerce in such commodity or product thereof.

(2) Commodities to which applicable.—Orders issued pursuant to this section shall be applicable only to the following agricultural commodities and the products thereof (except products of naval stores and the products of honeybees), or to any regional, or market classification of any such commodity or product: Milk, fruits (including pecans and walnuts but not including apples, other than apples produced in the States of Washington, Oregon, and Idaho, and not including fruits, other than olives, for canning), tobacco, vegetables (not including vegetables, other than asparagus, for canning), soybeans, hops, honeybees and naval stores as included in sections 91-99 of this title and standards established thereunder (including refined or partially refined oleoresin).

(3) Notice and hearing.—Whenever the Secretary of Agriculture has reason to believe that the issuance of an order will tend to effectuate the declared policy of this chapter with respect to any commodity or product thereof specified in subsection (2) of this section, he shall give due notice of and an opportunity for a hearing upon a proposed order.

(4) Finding and issuance of order.—After such notice and opportunity for hearing, the Secretary of Agriculture shall issue an order if he finds, and sets forth in such order, upon the evidence introduced at such hearing (in addition to such other findings as may be specifically required by this section) that the issuance of such order and all of the terms and conditions thereof will tend to effectuate the declared policy of this chapter with respect to such commodity.

(5) **Milk and its products; terms and conditions of orders.**—In the case of milk and its products, orders issued pursuant to this section shall contain one or more of the following terms and conditions, and (except as provided in subsection (7)) no others:

(A) Classifying milk in accordance with the form in which or the purpose for which it is used, and fixing, or providing a method for fixing, minimum prices for each such use classification which all handlers shall pay, and the time when payments shall be made, for milk purchased from producers or associations of producers. Such prices shall be uniform as to all handlers, subject only to adjustments for (1) volume, market, and production differentials customarily applied by the handlers subject to such order, (2) the grade or quality of the milk purchased, and (3) the locations at which delivery of such milk, or any use classification thereof, is made to such handlers.

(B) Providing:

(i) for the payment to all producers and associations of producers delivering milk to the same handler of uniform prices for all milk delivered by them: *Provided, That*, except in the case of orders covering milk products only, such provision is approved or favored by at least three-fourths of the producers who, during a representative period determined by the Secretary of Agriculture, have been engaged in the production for market of milk covered in such order or by producers who, during such representative period, have produced at least three-fourths of the volume of such milk produced for market during such period; the approval required hereunder shall be separate and apart from any other approval or disapproval provided for by this section; or

(ii) for the payment to all producers and associations of producers delivering milk to all handlers of uniform prices for all milk so delivered, irrespective of the uses made of such milk by the individual handler to whom it is delivered;

subject, in either case, only to adjustments for (a) volume, market, and production differentials customarily applied by the handlers subject to such order, (b) the grade or quality of the milk delivered, (c) the locations at which delivery of such milk is made, and (d) a further adjustment, equitably to apportion the total value of the milk purchased by any handler, or by all handlers, among producers and associations of producers, on the basis of their marketings of milk during a representative period of time.

(C) In order to accomplish the purposes set forth in paragraphs (A) and (B) of this subsection (5), providing a method for making adjustments in payments, as among handlers (including producers who are also handlers), to the end that the total sums paid by each handler shall equal the value of the milk purchased by him at the prices fixed in accordance with paragraph (A) hereof.

(D) Providing that, in the case of all milk purchased by handlers from any producer who did not regularly sell milk during a period of 30 days next preceding the effective date of such order for consumption in the area covered thereby, payments to such

producer, for the period beginning with the first regular delivery by such producer and continuing until the end of two full calendar months following the first day of the next succeeding calendar month, shall be made at the price for the lowest use classification specified in such order, subject to the adjustments specified in paragraph (B) of this subsection (5).

(E) Providing (i) except as to producers for whom such services are being rendered by a cooperative marketing association, qualified as provided in paragraph (F) of this subsection (5), for market information to producers and for the verification of weights, sampling, and testing of milk purchased from producers, and for making appropriate deductions therefor from payments to producers, and (ii) for assurance of, and security for, the payment by handlers for milk purchased.

(F) Nothing contained in this subsection (5) is intended or shall be construed to prevent a cooperative marketing association qualified under the provisions of sections 291 and 292 of this title, engaged in making collective sales or marketing of milk or its products for the producers thereof, from blending the net proceeds of all of its sales in all markets in all use classifications, and making distribution thereof to its producers in accordance with the contract between the association and its producers: *Provided*, That it shall not sell milk or its products to any handler for use or consumption in any market at prices less than the prices fixed pursuant to paragraph (A) of this subsection (5) for such milk.

(G) No marketing agreement or order applicable to milk and its products in any marketing area shall prohibit or in any manner limit, in the case of the products of milk, the marketing in that area of any milk or product thereof produced in any production area in the United States.

(6) Other commodities; terms and conditions of orders.—In the case of fruits (including pecans and walnuts but not including apples, other than apples produced in the States of Washington, Oregon, and Idaho, and not including fruits, other than olives, for canning) and their products, tobacco and its products, vegetables (not including vegetables, other than asparagus, for canning) and their products, soybeans and their products, hops and their products, honeybees, and naval stores as included in sections 91-99 of this title and standards established thereunder (including refined or partially refined oleoresin), orders issued pursuant to this section shall contain one or more of the following terms and conditions, and (except as provided in subsection (7) no others:

(A) Limiting, or providing methods for the limitation of, the total quantity of any such commodity or product, or of any grade, size, or quality thereof, produced during any specified period or periods, which may be marketed in or transported to any or all markets in the current of interstate or foreign commerce or so as directly to burden, obstruct, or affect interstate or foreign commerce in such commodity or product thereof, during any specified period or periods by all handlers thereof.

(B) Allotting, or providing methods for allotting, the amount

of such commodity or product, or any grade, size, or quantity thereof, which each handler may purchase from or handle on behalf of any and all producers thereof, during any specified period or periods, under a uniform rule based upon the amounts sold by such producers in such prior period as the Secretary determines to be representative, or upon the current quantities available for sale by such producers, or both, to the end that the total quantity thereof to be purchased or handled during any specified period or periods shall be apportioned equitably among producers.

(C) Allotting, or providing methods for allotting, the amount of any such commodity or product, or any grade, size, or quality thereof, which each handler may market in or transport to any or all markets in the current of interstate or foreign commerce or so as directly to burden, obstruct, or affect interstate or foreign commerce in such commodity or product thereof, under a uniform rule based upon the amounts which each such handler has available for current shipment, or upon the amounts shipped by each such handler in such prior period as the Secretary determines to be representative, or both, to the end that the total quantity of such commodity or product, or any grade, size, or quality thereof, to be marketed in or transported to any or all markets in the current of interstate or foreign commerce or so as directly to burden, obstruct, or affect interstate or foreign commerce in such commodity or product thereof, during any specified period or periods shall be equitably apportioned among all of the handlers thereof.

(D) Determining, or providing methods for determining, the existence and extent of the surplus of any such commodity or product, or of any grade, size, or quality thereof, and providing for the control and disposition of such surplus, and for equalizing the burden of such surplus elimination or control among the producers and handlers thereof.

(E) Establishing, or providing for the establishment of, reserve pools of any such commodity or product, or of any grade, size, or quality thereof, and providing for the equitable distribution of the net return derived from the sale thereof among the persons beneficially interested therein.

(F) In the case of hops and their products, in addition to, or in lieu of, the foregoing terms and conditions, orders may contain one or more of the following:

(i) Limiting, or providing methods for the limitation of, the total quantity thereof, or of any grade, type, or variety thereof, produced during any specified period or periods, which all handlers may handle in the current of or so as directly to burden, obstruct, or affect interstate or foreign commerce in hops or any product thereof.

(ii) Apportioning, or providing methods for apportioning, the total quantity of hops of the production of the then current calendar year permitted to be handled equitably among all producers in the production area to which the order applies upon the basis of one or more or a combination of the following: The total quantity of hops available or estimated will become

available for market by each producer from his production during such period; the normal production of the acreage of hops operated by each producer during such period upon the basis of the number of acres of hops in production, and the average yield of that acreage during such period as the Secretary determines to be representative, with adjustments determined by the Secretary to be proper for age of plantings or abnormal conditions affecting yield; such normal production or historical record of any acreage for which data as to yield of hops are not available or which had no yield during such period shall be determined by the Secretary on the basis of the yields of other acreage of hops of similar characteristics as to productivity, subject to adjustments as just provided for.

(iii) Allotting, or providing methods for allotting, the quantity of hops which any handler may handle so that the allotment fixed for that handler shall be limited to the quantity of hops apportioned under preceding section (ii) to each respective producer of hops; such allotment shall constitute an allotment fixed for that handler within the meaning of subsection (5) of section 608a of this title.

§ (7) Terms common to all orders.—In the case of the agricultural commodities and the products thereof specified in subsection (2) orders shall contain one or more of the following terms and conditions:

(A) Prohibiting unfair methods of competition and unfair trade practices in the handling thereof.

(B) Providing that (except for milk and cream to be sold for consumption in fluid form) such commodity or product thereof, or any grade, size, or quality thereof shall be sold by the handlers thereof only at prices filed by such handlers in the manner provided in such order.

(C) Providing for the selection by the Secretary of Agriculture, or a method for the selection, of an agency or agencies and defining their powers and duties, which shall include only the powers:

(i) To administer such order in accordance with its terms and provisions;

(ii) To make rules and regulations to effectuate the terms and provisions of such order;

(iii) To receive, investigate, and report to the Secretary of Agriculture complaints of violations of such order; and

(iv) To recommend to the Secretary of Agriculture amendments to such order.

No person acting as a member of an agency established pursuant to this paragraph (C) shall be deemed to be acting in an official capacity, within the meaning of section 610 (g) of this title, unless such person receives compensation for his personal services from funds of the United States.

(D) Incidental to, and not inconsistent with, the terms and conditions specified in subsections (5), (6), and (7) and necessary to effectuate the other provisions of such order.

(8) Orders with marketing agreement.—Except as provided in subsection (9) of this section, no order issued pursuant to this

section shall become effective until the handlers (excluding cooperative associations of producers who are not engaged in processing, distributing, or shipping the commodity or product thereof covered by such order) of not less than 50 per centum of the volume of the commodity or product thereof covered by such order which is produced or marketed within the production or marketing area defined in such order have signed a marketing agreement, entered into pursuant to section 608b of this title, which regulates the handling of such commodity or product in the same manner as such order, except that as to citrus fruits produced in any area producing what is known as California citrus fruits no order issued pursuant to this subsection (8) shall become effective until the handlers of not less than 80 per centum of the volume of such commodity or product thereof covered by such order have signed such a marketing agreement: *Provided*, That no order issued pursuant to this subsection shall be effective unless the Secretary of Agriculture determines that the issuance of such order is approved or favored:

(A) By at least two-thirds of the producers who (except that as to citrus fruits produced in any area producing what is known as California citrus fruits said order must be approved or favored by three-fourths of the producers), during a representative period determined by the Secretary, have been engaged, within the production area specified in such marketing agreement or order, in the production for market of the commodity specified therein, or who, during such representative period, have been engaged in the production of such commodity for sale in the marketing area specified in such marketing agreement, or order, or

(B) By producers who, during such representative period, have produced for market at least two-thirds of the volume of such commodity produced for market within the production area specified in such marketing agreement or order, or who, during such representative period, have produced at least two-thirds of the volume of such commodity sold within the marketing area specified in such marketing agreement or order.

(9) Orders with or without marketing agreement.—Any order issued pursuant to this section shall become effective in the event that, notwithstanding the refusal or failure of handlers (excluding cooperative associations or producers who are not engaged in processing, distributing, or shipping the commodity or product thereof covered by such order) of more than 50 per centum of the volume of the commodity or product thereof (except that as to citrus fruits produced in any area producing what is known as California citrus fruits said per centum shall be 80 per centum) covered by such order which is produced or marketed within the production or marketing area defined in such order to sign a marketing agreement relating to such commodity or product thereof, on which a hearing has been held, the Secretary of Agriculture, with the approval of the President, determines;

(A) That the refusal or failure to sign a marketing agreement (upon which a hearing has been held) by the handlers (excluding cooperative associations of producers who are not engaged in processing, distributing, or shipping the commodity

or product thereof covered by such order) of more than 50 per centum of the volume of the commodity or product thereof (except that as to citrus fruits produced in any area producing what is known as California citrus fruits said per centum shall be 80 per centum) specified therein which is produced or marketed within the production or marketing area specified therein tends to prevent the effectuation of the declared policy of this title with respect to such commodity or product, and

(B) That the issuance of such order is the only practical means of advancing the interests of the producers of such commodity pursuant to the declared policy, and is approved or favored:

(i) By at least two-thirds of the producers (except that as to citrus fruits produced in any area producing what is known as California citrus fruits said order must be approved or favored by three-fourths of the producers) who, during a representative period determined by the Secretary, have been engaged, within the production area specified in such marketing agreement or order, in the production for market of the commodity specified therein, or who, during such representative period, have been engaged in the production of such commodity for sale in the marketing area specified in such marketing agreement, or order, or

(ii) By producers who, during such representative period, have produced for market at least two-thirds of the volume of such commodity produced for market within the production area specified in such marketing agreement or order, or who, during such representative period, have produced at least two-third of the volume of such commodity sold within the marketing area specified in such marketing agreement or order.

(10) Manner of regulation and applicability.—No order shall be issued under this section unless it regulates the handling of the commodity or product covered thereby in the same manner as, and is made applicable only to persons in the respective classes of industrial or commercial activity specified in, a marketing agreement upon which a hearing has been held. No order shall be issued under this title prohibiting, regulating, or restricting the advertising of any commodity or product covered thereby, nor shall any marketing agreement contain any provision prohibiting, regulating, or restricting the advertising of any commodity or product covered by such marketing agreement.

(11) Regional application.—(A) No order shall be issued under this section which is applicable to all production areas or marketing areas, or both, of any commodity or product thereof unless the Secretary finds that the issuance of several orders applicable to the respective regional production areas or regional marketing areas, or both, as the case may be, of the commodity of product would not effectively carry out the declared policy of this chapter.

(B) Except in the case of milk and its products orders issued under this section shall be limited in their application to the smallest regional production areas or regional marketing areas, or both, as the case may be, which the Secretary finds practicable, consistently with carrying out such declared policy.

(C) All orders issued under this section which are applicable

to the same commodity or product thereof shall, so far as practicable, prescribe such different terms, applicable to different production areas and marketing areas, as the Secretary finds necessary to give due recognition to the differences in production and marketing of such commodity or product in such areas.

(12) Approval of cooperative association as approval of producers.—Whenever, pursuant to the provisions of this section, the Secretary is required to determine the approval or disapproval of producers with respect to the issuance of any order, or any term or condition thereof, or the termination thereof, the Secretary shall consider the approval or disapproval by any cooperative association of producers, bona fide engaged in marketing the commodity or product thereof covered by such order, or in rendering services for or advancing the interests of the producers of such commodity, as the approval or disapproval of the producers who are members of, stockholders in, or under contract with, such cooperative association of producers.

(13) Retailer and producer exemption.—(A) No order issued under subsection (9) of this section shall be applicable to any person who sells agricultural commodities or products thereof at retail in his capacity as such retailer, except to a retailer in his capacity as a retailer of milk and its products.

(B) No order issued under this chapter shall be applicable to any producer in his capacity as a producer.

(14) Violation or order; penalty.—Any handler subject to an order issued under this section, or any officer, director, agent, or employee of such handler, who violates any provision of such order (other than a provision calling for payment of a pro rata share of expenses) shall, on conviction, be fined not less than \$50 or more than \$500 for each such violation, and each day during which such violation continues shall be deemed a separate violation: *Provided*, That if the court finds that a petition pursuant to subsection (15) of this section was filed and prosecuted by the defendant in good faith and not for delay, no penalty shall be imposed under this subsection for such violations as occurred between the date upon which the defendant's petition was filed with the Secretary, and the date upon which notice of the Secretary's ruling thereon was given to the defendant in accordance with regulations prescribed pursuant to subsection (15.).

(15) Petition by handler for modification of order or exemption; court review of ruling of Secretary.—(A) Any handler subject to an order may file a written petition with the Secretary of Agriculture, stating that any such order or any provision of any such order or any obligation imposed in connection therewith is not in accordance with law and praying for a modification thereof or to be exempted therefrom. He shall thereupon be given an opportunity for a hearing upon such petition, in accordance with regulations made by the Secretary of Agriculture, with the approval of the President. After such hearing, the Secretary shall make a ruling upon the prayer of such petition which shall be final, if in accordance with law.

(B) The District courts of the United States (including the district court of the United States for the District of Columbia)

in any district in which such handler is an inhabitant, or has his principal place of business, are hereby vested with jurisdiction in equity to review such ruling, provided a bill in equity for that purpose is filed within twenty days from the date of the entry of such ruling. Service of process in such proceedings may be had upon the Secretary by delivering to him a copy of the bill of complaint. If the court determines that such ruling is not in accordance with law, it shall remand such proceedings to the Secretary with directions either (1) to make such ruling as the court shall determine to be in accordance with law, or (2) to take such further proceedings as, in its opinion, the law requires. The pendency of proceedings instituted pursuant to this subsection (15) shall not impede, hinder, or delay the United States or the Secretary of Agriculture from obtaining relief pursuant to section 608a (6) of this title. Any proceedings brought pursuant to section 608a (6) of this title (except where brought by way of counterclaim in proceedings instituted pursuant to this subsection (15) shall abate whenever a final decree has been rendered in proceedings between the same parties, and covering the same subject matter, instituted pursuant to this subsection (15).

(16) Termination of orders and marketing agreements.—(A) The Secretary of Agriculture shall, whenever he finds that any order issued under this section, or any provision thereof, obstructs or does not tend to effectuate the declared policy of this title, terminate or suspend the operation of such order or such provision thereof.

(B) The Secretary shall terminate any marketing agreement entered into under section 608b of this title, or order issued under this section, at the end of the then current marketing period for such commodity, specified in such marketing agreement or order, whenever he finds that such termination is favored by a majority of the producers who, during a representative period determined by the Secretary, have been engaged in the production for market of the commodity specified in such marketing agreement or order, within the production area specified in such marketing agreement or order, or who, during such representative period, have been engaged in the production of such commodity for sale within the marketing area specified in such marketing agreement or order: *Provided*, That such majority have, during such representative period, produced for market more than 50 per centum of the volume of such commodity produced for market within the production area specified in such marketing agreement or order, or have, during such representative period, produced more than 50 per centum of the volume of such commodity sold in the marketing area specified in such marketing agreement or order, but such termination shall be effective only if announced on or before such date (prior to the end of the then current marketing period) as may be specified in such marketing agreement or order.

(C) The termination or suspension of any order or amendment thereto or provision thereof, shall not be considered an order within the meaning of this section.

(17) Provisions applicable to amendments.—The provisions of this section, section 608d and section 608e of this title applicable

to orders shall be applicable to amendments to orders: *Provided*, That notice of a hearing upon a proposed amendment to any order issued pursuant to this section, given not less than three days prior to the date fixed for such hearing, shall be deemed due notice thereof.

(18) Milk prices.—The Secretary of Agriculture, prior to prescribing any term in any marketing agreement or order, or amendment thereto, relating to milk or its products, if such terms is to fix minimum prices to be paid to producers or associations of producers, or prior to modifying the price fixed in any such term, shall ascertain, in accordance with section 602 and section 608e of this title, the prices that will give such commodities a purchasing power equivalent to their purchasing power during the base period. The level of prices which it is declared to be the policy of Congress to establish in section 602 and section 608e of this title shall, for the purposes of such agreement, order, or amendment, be such level as will reflect the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand, for milk or its products in the marketing area to which the contemplated marketing agreement, order, or amendment relates. Whenever the Secretary finds, upon the basis of the evidence adduced at the hearing required by section 608b of this title or this section, as the case may be, that the prices that will give such commodities a purchasing power equivalent to their purchasing power during the base period as determined pursuant to section 602 and section 608e of this title are not reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk and its products in the marketing area to which the contemplated agreement, order, or amendment relates, he shall fix such prices as he finds will reflect such factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest. Thereafter, as the Secretary finds necessary on account of changed circumstances, he shall, after due notice and opportunity for hearing, make adjustments in such prices.

(19) Producer referendum for approving order.—For the purpose of ascertaining whether the issuance of an order is approved or favored by producers, as required under the applicable provisions of this chapter, the Secretary may conduct a referendum among producers. The requirements of approval or favor under any such provision shall be held to be complied with if, of the total number of producers, or the total volume of production, as the case may be, represented in such referendum, the percentage approving or favoring is equal to or in excess of the percentage required under such provision. Nothing in this subsection shall be construed as limiting representation by cooperative associations as provided in subsection (12). (May 12, 1933, ch. 25, title I, § 8c, as added Aug. 24, 1935, ch. 641, § 5, 49 Stat. 753, and amended June 25, 1936, ch. 804, 49 Stat. 1921; June 3, 1937, ch. 296, §§ 1, 2 (d), (e), (f), (k), (l), (m), 50 Stat. 246, 247; Aug. 5, 1937, ch. 567, 50 Stat. 563; Apr. 13 1938, ch. 143, §§ 1, 2, 52 Stat. 215; May 31, 1939, ch. 157, 53 Stat. 793; Feb. 10, 1942, ch. 52, §§ 2, 3, 56 Stat. 85.)

VALIDITY OF SECTION AFFIRMED

Act June 3, 1937, ch. 296, § 1, 50 Stat. 246, affirmed and validated, and reenacted without change the provisions of this section, except for the amendments to subdivisions (5) (B) (d) and (6) (B) by section 2 of the act, and the addition of subdivisions (18) and (19) by said section 2. See note to section 601 of this title.

TERMINATION OF APPLICATION TO SUGAR

Provisions of this section ceased to apply to sugar on Sept. 1, 1937. See section 1180 of this title.

§ 608c-1. Same; hops.—No orders issued pursuant to section 608c of this title shall be applicable to hops after September 1, 1945. (As amended Feb. 10, 1942, ch. 52, § 1, 56 Stat. 85.)

§ 608d. Books and records; disclosure of information.—(1) All parties to any marketing agreement, and all handlers subject to an order, shall severally, from time to time, upon the request of the Secretary, furnish him with such information as he finds to be necessary to enable him to ascertain and determine the extent to which such agreement or order has been carried out or has effectuated the declared policy of this chapter, and with such information as he finds to be necessary to determine whether or not there has been any abuse of the privilege of exemptions from the antitrust laws. Such information shall be furnished in accordance with forms of reports to be prescribed by the Secretary. For the purpose of ascertaining the correctness of any report made to the Secretary pursuant to this subsection, or for the purpose of obtaining the information required in any such report, where it has been requested and has not been furnished, the Secretary is hereby authorized to examine such books, papers, records, copies of income-tax reports, accounts, correspondence, contracts, documents, or memoranda, as he deems relevant and which are within the control (1) of any such party to such marketing agreement, or any such handler, from whom such report was requested or (2) of any person having, either directly or indirectly, actual or legal control of or over such party or such handler or (3) of any subsidiary of any such party, handler, or person.

(2) Notwithstanding the provisions of section 607 of this title, all information furnished to or acquired by the Secretary of Agriculture pursuant to this section shall be kept confidential by all officers and employees of the Department of Agriculture and only such information so furnished or acquired as the Secretary deems relevant shall be disclosed by them, and then only in a suit or administrative hearing brought at the direction, or upon the request, of the Secretary of Agriculture, or to which he or any officer of the United States is a party, and involving the marketing agreement or order with reference to which the information so to be disclosed was furnished or acquired. Nothing in this section shall be deemed to prohibit (A) the issuance of general statements based upon the reports of a number of parties to a marketing agreement or of handlers subject to an order, which statements do not identify the information furnished by any person, or (B) the publication by direction of the Secretary, of the name of any person violating any marketing agreement or any

order, together with a statement of the particular provisions of the marketing agreement or order violated by such person. Any such officer or employee violating the provisions of this section shall upon conviction be subject to a fine of not more than \$1,000 or to imprisonment for not more than one year, or to both, and shall be removed from office. (May 12, 1933, ch. 25, title I, § 8d, as added Aug. 24, 1935, ch. 641, § 6, 49 Stat. 761, and amended June 3, 1937, ch. 296, § 1, 50 Stat. 246.)

CODIFICATION

Act of August 24, 1935, cited to text, struck out provisions of section 8 (4) of act May 12, 1933, cited to text, formerly appearing in section 608 (4) of this title and added a new section 8d containing provisions now appearing in text.

TERMINATION OF APPLICATION TO SUGAR

Provisions of this section ceased to apply to sugar on Sept. 1, 1937. See section 1180 of this title.

§ 608e. Determination of base period.—In connection with the making of any marketing agreement or the issuance of any order, if the Secretary finds and proclaims that, as to any commodity specified in such marketing agreement or order, the purchasing power during the base period specified for such commodity in section 602 of this title cannot be satisfactorily determined from available statistics of the Department of Agriculture, the base period, for the purposes of such marketing agreement or order, shall be the post-war period, August 1919-July 1929, or all that portion thereof for which the Secretary finds and proclaims that the purchasing power of such commodity can be satisfactorily determined from available statistics of the Department of Agriculture. (May 12, 1933, ch. 25, title I, § 8e, as added Aug. 24, 1935, ch. 641, § 6, 49 Stat. 762, and amended June 3, 1937, ch. 296, § 1, 50 Stat. 246.)

VALIDITY OF SECTION AFFIRMED

Act June 3, 1937, ch. 296, § 1, 50 Stat. 246, affirmed and validated, and reenacted without change the provisions of this section. See note to section 601 of this title.

TERMINATION OF APPLICATION TO SUGAR

Provisions of this section ceased to apply to sugar on Sept. 1, 1937. See section 1180 of this title.

§ 608f. Surrender of warehoused goods without receipt; penalties; laws unaffected.—No person operating a public warehouse for the storage of any basic agricultural commodity in the current of interstate or foreign commerce shall deliver any such commodity upon which a warehouse receipt has been issued and is outstanding without prior surrender and cancelation of such warehouse receipt except that any person operating a country public grain warehouse or warehouses may, because of lack of sufficient space to accommodate all depositors, move storage grain out of such warehouse or warehouses to another warehouse for continuous storage, under such regulations as the Secretary of Agriculture may prescribe. A non-negotiable warehouse receipt shall be issued by the warehouseman to whom the grain was shipped, and said receiving warehouseman shall give such guar-

anty and shall store such grain under such regulations as the Secretary of Agriculture may prescribe to assure delivery to the rightful owner of such grain in the amount, and of the kind, quality, and grade called for by his receipts. Any warehouseman who intends to ship grain while his original receipt is outstanding must recite in his receipt both the name and address of his warehouse as well as that of the warehouse to which the grain may be shipped for further storage. All grain shipped under this section must be shipped under a non-negotiable bill of lading. Any person violating any of the provisions of this section shall, upon conviction, be punished by a fine of not more than \$5,000, or by imprisonment for not more than two years, or both. This section shall not be construed as amending or changing in any manner sections 241-273 of this title, as amended. (May 12, 1933, ch. 25, title I, § 8 (5), 48 Stat. 34; as renumbered § 8f and amended Aug. 24, 1935, ch. 641, § 7, 49 Stat. 762; Oct. 8, 1940, ch. 759, 54 Stat. 1019.)

CODIFICATION

Section was originally enacted as section 8 (5) of Agricultural Adjustment Act and formerly appeared as section 608 (5) of this title. Act August 24, 1935, cited to text, designated said subsection (5) as section 8f and struck out last sentence thereof.

Former section 608f, act May 12, 1933, ch. 25, title I, § 8 (5), 48 Stat. 34, as renumbered § 8f and amended by act Aug. 24, 1935, ch. 641, § 7, 49 Stat. 762, was struck out, and this section was substituted in lieu thereof by act October 8, 1940, cited to text.

Word "section" in next-to-last and last sentences is a translation of the words "subsection" and "Act," respectively.

TERMINATION OF APPLICATION TO SUGAR

Provisions of this section ceased to apply to sugar on Sept. 1, 1937. See section 1180 of this title.

§ 609. Processing tap; methods of computation; rate; what constitutes processing; publicity as to tax to avoid profiteering.—
 (a) To obtain revenue for extraordinary expenses incurred by reason of the national economic emergency, there shall be levied processing taxes as hereinafter provided. When the Secretary of Agriculture determines that any one or more payments authorized to be made under section 608 of this title are to be made with respect to any basic agricultural commodity, he shall proclaim such determination, and a processing tax shall be in effect with respect to such commodity from the beginning of the market year therefor next following the date of such proclamation; except that (1) in the case of sugar beets and sugarcane, the Secretary of Agriculture shall, on or before the thirtieth day after May 9, 1934, proclaim that rental or benefit payments with respect to said commodities are to be made, and the processing tax shall be in effect on and after the thirtieth day after May 9, 1934, and (2) in the case of rice, the Secretary of Agriculture shall, before April 1, 1935, proclaim that rental or benefit payments are to be made with respect thereto, and the processing tax shall be in effect on and after April 1, 1935. In the case of sugar beets and sugarcane, the calendar year shall be considered to be the marketing year and for the year 1934 the marketing year shall begin January 1, 1934. In the case of rice, the period from August

1 to July 31, both inclusive, shall be considered to be the marketing year. The processing tax shall be levied, assessed, and collected upon the first domestic processing of the commodity, whether of domestic production or imported, and shall be paid by the processor. The rate of tax shall conform to the requirements of subsection (b). Such rate shall be determined by the Secretary of Agriculture as of the date the tax first takes effect, and the rate so determined shall, at such intervals as the Secretary finds necessary to effectuate the declared policy, be adjusted by him to conform to such requirements. The processing tax shall terminate at the end of the marketing year current at the time the Secretary proclaims that all payments authorized under section 608 of this title which are in effect are to be discontinued with respect to such commodity. The marketing year for each commodity shall be ascertained and prescribed by regulations of the Secretary of Agriculture: *Provided*, That upon any article upon which a manufacturers' sales tax is levied under the authority of the Revenue Act of 1932, Act June 6, 1932, ch. 209, 47 Stat. 169-289, and which manufacturers' sales tax is computed on the basis of weight, such manufacturers' sales tax shall be computed on the basis of the weight of said finished article less the weight of the processed cotton contained therein on which a processing tax has been paid.

(b) (1) The processing tax shall be at such rate as equals the differences between the current average farm price for the commodity and the fair exchange value of the commodity, plus such percentage of such difference, not to exceed 20 per centum, as the Secretary of Agriculture may determine will result in the collection, in any marketing year with respect to which such rate of tax may be in effect pursuant to the provisions of sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, of an amount of tax equal to (A) the amount of credits or refunds which he estimates will be allowed or made during such period pursuant to section 615 (c) of this title with respect to the commodity and (B) the amount of tax which he estimates would have been collected during such period upon all processings of such commodity which are exempt from tax by reason of the fact that such processings are done by or for a State, or a political subdivision or an institution thereof, had such processings been subject to tax. If, prior to the time the tax takes effect, or at any time thereafter, the Secretary has reason to believe that the tax at such rate, or at the then existing rate, on the processing of the commodity generally or for any designated use or uses, or on the processing of the commodity in the production of any designated product or products thereof for any designated use or uses, will cause or is causing such reduction in the quantity of the commodity or products thereof domestically consumed as to the result in the accumulation of surplus stocks of the commodity or products thereof or in the depression of the farm price of the commodity, then the Secretary shall cause an appropriate investigation to be made, and afford due notice and opportunity for hearing to interested parties. If thereupon the Secretary determines and proclaims that any such result will occur or is occur-

ring, then the processing tax on the processing of the commodity generally or for any designated use or uses, or on the processing of the commodity in the production of any designated product or products thereof for any designated use or uses, shall be at such lower rate or rates as he determines and proclaims will prevent such accumulation of surplus stocks and depression of the farm price of the commodity, and the tax shall remain during its effective period at such lower rate until the Secretary, after due notice and opportunity for hearing to interested parties, determines and proclaims that an increase in the rate of such tax will not cause such accumulation of surplus stocks or depression of the farm price of the commodity. Thereafter the processing tax shall be at the highest rate which the Secretary determines will not cause such accumulation of surplus stocks or depression of the farm price of the commodity, but it shall not be higher than the rate provided in the first sentence of this paragraph.

(2) In the case of wheat, cotton, field corn, hogs, peanuts, tobacco, paper, and jute, and (except as provided in paragraph (8) of this subsection) in the case of sugarcane and sugar beets, the tax on the first domestic processing of the commodity generally or for any particular use, or in the production of any designated product for any designated use, shall be levied, assessed, collected, and paid at the rate prescribed by the regulations of the Secretary of Agriculture in effect on the date of the adoption of this amendment, during the period from such date to December 31, 1937, both dates inclusive.

(3) For the period from April 1, 1935, to July 31, 1936, both inclusive, the processing tax with respect to rice shall be levied, assessed, collected, and paid at the rate of 1 cent per pound of rough rice.

(4) For the period from September 1, 1935, to December 31, 1937, both inclusive, the processing tax with respect to rye shall be levied, assessed, collected, and paid at the rate of 30 cents per bushel of fifty-six pounds. In the case of rye, the first marketing year shall be considered to be the period commencing September 1, 1935, and ending June 30, 1936. Subsequent marketing years shall commence on July 1 and end on June 30 of the succeeding year. The provisions of section 616 of this title shall not apply in the case of rye.

(5) If at any time prior to December 31, 1937, a tax with respect to barley becomes effective pursuant to proclamation as provided in subsection (a) of this section, such tax shall be levied, assessed, collected, and paid during the period from the date upon which such tax becomes effective to December 31, 1937, both inclusive, at the rate of 25 cents per bushel of forty-eight pounds. The provisions of section 616 of this title shall not apply in the case of barley.

(6) (A) Any rate of tax which is prescribed in paragraph (2), (3), (4), or (5) of this subsection or which is established pursuant to this paragraph (6) on the processing of any commodity generally or for any designated use or uses, or on the processing of the commodity in the production of any designated product or products thereof for any designated use or uses, shall

be decreased (including a decrease to zero) in accordance with the formulae, standards, and requirements of paragraph (1) of this subsection, in order to prevent such reduction in the quantity of such commodity or the products thereof domestically consumed as will result in the accumulation of surplus stocks of such commodity or the products thereof or in the depression of the farm price of the commodity, and shall thereafter be increased in accordance with the provisions of paragraph (1) of this subsection but subject to the provisions of subdivision (B) of this paragraph (6).

(B) If the average farm price of any commodity, the rate of tax on the processing of which is prescribed in paragraph (2), (3), (4), or (5) of this subsection or is established pursuant to this paragraph (6), during any period of twelve successive months ending after July 1, 1935, consisting of the first ten months of any marketing year and the last two months of the preceding marketing year—

(i) is equal to, or exceeds by 10 per centum or less, the fair exchange value thereof, or, in the case of tobacco, is less than the fair exchange value by not more than 10 per centum, the rate of such tax shall (subject to the provisions of subdivision (A) of this paragraph (6)) be adjusted, at the beginning of the next succeeding marketing year, to such rate as equals 20 per centum of the fair exchange value thereof.

(ii) exceeds by more than 10 per centum, but not more than 20 per centum, the fair exchange value thereof, the rate of such tax shall (subject to the provisions of subdivision (A) of this paragraph (6)) be adjusted, at the beginning of the next succeeding marketing year, to such rate as equals 15 per centum of the fair exchange value thereof.

(iii) exceeds by more than 20 per centum the fair exchange value thereof, the rate of such tax shall (subject to the provisions of subdivision (A) of this paragraph (6)) be adjusted, at the beginning of the next succeeding marketing year, to such rate as equals 10 per centum of the fair exchange value thereof.

(C) Any rate of tax which has been adjusted pursuant to this paragraph (6) shall remain at such adjusted rate unless further adjusted or terminated pursuant to this paragraph (6), until December 31, 1937, or until July 31, 1936, in the case of rice.

(D) In accordance with the formulae, standards, and requirements prescribed in sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, any rate of tax prescribed in paragraph (2), (3), (4), or (5) of this subsection or which is established pursuant to this paragraph (6) shall be increased.

(E) Any tax, the rate of which is prescribed in paragraph (2), (3), (4), or (5) of this subsection, or which is established pursuant to this paragraph (6), shall terminate pursuant to proclamation as provided in section 609 (a) of this title or pursuant to section 613 of this title. Any such tax with respect to any basic commodity which terminates pursuant to proclamation as provided in section 609 (a) of this title shall again become effective at the rate prescribed in paragraph (2), (3), (4), or (5) of this subsection, subject however to the provisions of subdi-

visions (A) and (B) of this paragraph (6), from the beginning of the marketing year for such commodity next following the date of a new proclamation by the Secretary as provided in section 609 (a) of this title, if such marketing year begins prior to December 31, 1937 or prior to July 31, 1936, in the case of rice, and shall remain at such rate until altered or terminated pursuant to the provisions of section 609 or terminated pursuant to section 613 of this title.

(F) After December 31, 1937 (in the case of the commodities specified in paragraphs (2), (4); and (5) of this subsection), and after July 31, 1936 (in the case of rice), rates of tax shall be determined by the Secretary of Agriculture in accordance with the formulae, standards, and requirements prescribed in sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, but not in this paragraph (6), and shall, subject to such formulae, standards, and requirements, thereafter be effective.

(G) If the applicability to any person or circumstances of any tax, the rate of which is fixed in pursuance of this paragraph (6), is finally held invalid by reason of any provision of the Constitution, or is finally held invalid by reason of the Secretary of Agriculture's exercise or failure to exercise any power conferred on him under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, there shall be levied, assessed, collected, and paid (in lieu of all rates of tax fixed in pursuance of this paragraph (6) with respect to all tax liabilities incurred under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title on or after the effective date of each of the rates of tax fixed in pursuance of this paragraph (6), rates of tax fixed under paragraph (2), (3), (4), or (5), and such rates shall be in effect (unless the particular tax is terminated pursuant to proclamation, as provided in section 609 (a) of this title or pursuant to section 613 of this title) until altered by Act of Congress; except that, for any period prior to the effective date of such holding of invalidity, the amount of tax which represents the difference between the tax at the rate fixed in pursuance of this paragraph (6) and the tax at the rate fixed under paragraphs (2), (3), (4), and (5) shall not be levied, assessed, collected or paid.

(7) In the case of rice, the weight to which the rate of tax shall be applied shall be the weight of rough rice when delivered to a processor, except that, where the producer processes his own rice, the weight to which the rate of tax shall be applied shall be the weight of rough rice when delivered to the place of processing.

(8) In the case of sugar beets or sugarcane the rate of tax shall be applied to the direct-consumption sugar, resulting from the first domestic processing, translated into terms of pounds of raw value according to regulations to be issued by the Secretary of Agriculture, and in the event that the Secretary increases or decreases the rate of tax fixed by paragraph (2) of this subsection, pursuant to the provisions of paragraph (6) of this subsection, then the rate of tax to be so applied shall be the higher of the two following quotients: The difference between the current average farm price and the fair exchange value (A) of a ton

of sugar beets and (B) of a ton of sugarcane, divided in the case of each commodity by the average extraction therefrom of sugar in terms of pounds of raw value (which average extraction shall be determined from available statistics of the Department of Agriculture); the rate of tax fixed by paragraph (2) of this subsection or adjusted pursuant to the provisions of paragraph (6) of this subsection shall in no event exceed the amount of the reduction by the President on a pound of sugar raw value of the rate of duty in effect on January 1, 1934, under paragraph 501 of section 1001 of Title 19, as adjusted to the treaty of commercial reciprocity concluded between the United States and the Republic of Cuba on December 11, 1902, and/or the provisions of sections 124 and 125 of Title 19.

(9) In computing the current average farm price in the case of wheat, premiums paid producers for protein content shall not be taken into account.

(c) For the purposes of sections 608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, the fair exchange value of a commodity shall be the price therefor that will give the commodity the same purchasing power, with respect to articles farmers buy, as such commodity had during the base period specified in section 602 of this title; and, in the case of all commodities where the base period is the prewar period, August 1909 to July 1914, will also reflect interest payments per acre on farm indebtedness secured by real estate and tax payments per acre on farm real estate, as contrasted with such interest payments and tax payments during said base period; and the current average farm price and the fair exchange value shall be ascertained by the Secretary of Agriculture from available statistics of the Department of Agriculture. The rate of tax upon the processing of any commodity, in effect on the date on which this amendment is adopted, shall not be affected by the adoption of this amendment and shall not be required to be adjusted or altered, unless the Secretary of Agriculture finds that it is necessary to adjust or alter any such rate pursuant to section 609 (a) of this title.

(d) As used in sections 608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title—

(1) In case of wheat, rye, barley, rice, and corn, the term "processing" means the milling or other processing (except cleaning and drying) of wheat, rye, barley, rice, or corn for market, including custom milling for toll as well as commercial milling, but shall not include the grinding or cracking thereof not in the form of flour for feed purposes only.

(2) In case of cotton, the term "processing" means the spinning, manufacturing, or other processing (except ginning) of cotton; and the term "cotton" shall not include cotton linters.

(3) In case of tobacco, the term "processing" means the manufacturing or other processing (except drying or converting into insecticides and fertilizers) of tobacco.

(4) Repealed.

(5) Repealed.

(6) In the case of sugar beets and sugarcane—

(A) The term "first domestic processing" means each domes-

tic processing, including each processing of successive domestic processings, of sugar beets, sugarcane, or raw sugar, which directly results in direct-consumption sugar.

(B) The term "sugar" means sugar in any form whatsoever, derived from sugar beets or sugarcane, whether raw sugar or direct-consumption sugar, including also edible molasses, sirups, and any mixture containing sugar (except blackstrap molasses and beet molasses).

(C) The term "blackstrap molasses" means the commercially so-designated "byproduct" of the cane-sugar industry, not used for human consumption or for the extraction of sugar.

(D) The term "beet molasses" means the commercially so-designated "byproduct" of the beetsugar industry, not used for human consumption or for the extraction of sugar.

(E) The term "raw sugar" means any sugar, as defined above, manufactured or marketed in, or brought into, the United States, in any form whatsoever, for the purpose of being, or which shall be, further refined (or improved in quality, or further prepared for distribution or use).

(F) The term "direct-consumption sugar" means any sugar, as defined above, manufactured or marketed in, or brought into, the United States in any form whatsoever, for any purpose other than to be further refined (or improved in quality, or further prepared for distribution or use).

(G) The term "raw value" means a standard unit of sugar testing ninety-six sugar degrees by the polariscope. All taxes shall be imposed and all quotas shall be established in terms of "raw value" and for purposes of quota and tax measurements all sugar shall be translated into terms of "raw value" according to regulations to be issued by the Secretary, except that in the case of direct-consumption sugar produced in continental United States from sugar beets the raw value of such sugar shall be one and seven one-hundredths times the weight thereof.

(7) In the case of rice—

(A) The term "rough rice" means rice in that condition which is usual and customary when delivered by the producer to a processor.

(B) The term "processing" means the cleaning, shelling, milling (including custom milling for toll as well as commercial milling), grinding, rolling, or other processing (except grinding or cracking by or for the producer thereof for feed for his own livestock, cleaning by or directly for a producer for seed purposes, and drying) of rough rice; and in the case of rough rice with respect to which a taxpayment warrant has been previously issued or applied for by application then pending, the term "processing" means any one of the above mentioned processings or any preparation or handling in connection with the sale or other disposition thereof.

(C) The term "cooperating producer" means any person (including any share-tenant or share-cropper) whom the Secretary of Agriculture finds to be willing to participate in the 1935 production-adjustment program for rice.

(D) The term "processor", as used in subsection (b-1) of

section 615 of this title, means any person (including a cooperative association of producers) engaged in the processing of rice on a commercial basis (including custom milling for toll as well as commercial milling).

(8) In the case of any other commodity, the term "processing" means any manufacturing or other processing involving a change in the form of the commodity or its preparation for distribution or use, as defined by regulations of the Secretary of Agriculture; and in prescribing such regulations the Secretary shall give due weight to the customs of the industry.

(e) When any processing tax, or increase or decrease therein, takes effect in respect of a commodity the Secretary of Agriculture, in order to prevent pyramiding of the processing tax and profiteering in the sale of the products derived from the commodity, shall make public such information as he deems necessary regarding (1) the relationship between the processing tax and the price paid to producers of the commodity, (2) the effect of the processing tax upon prices to consumers of products of the commodity, (3) the relationship, in previous periods, between prices paid to the producers of the commodity and prices to consumers of the products thereof, and (4) the situation in foreign countries relating to prices paid to producers of the commodity and prices to consumers of the products thereof.

(f) For the purposes of selections 608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, processing shall be held to include manufacturing.

(g) Nothing contained in sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title shall be construed to authorize any tax upon the processing of any commodity which processing results in the production of newsprint. (May 12, 1933, ch. 25, title I, § 9, 48 Stat. 35; Apr. 7, 1934, ch. 103, § 3 (a), 48 Stat. 528; May 9, 1934, 11:23 a. m., ch. 263, §§ 2, 3, 5, 6, 9, 48 Stat. 670, 671, 675, 676; June 26, 1934, ch. 759, § 2 (b), 48 Stat. 1242; Mar. 18, 1935, ch. 32, §§ 1-6, 49 Stat. 45, 46; Aug. 24, 1935, ch. 641, §§ 11-15, 49 Stat. 762-767.)

REPEALS

Subsection (d), paragraph (4) of this section was repealed by act June 26, 1934, ch. 759, § 2 (a), 48 Stat. 1242.

Subsection (d), paragraph (5) of this section was repealed by act August 24, 1935, ch. 641, § 14 (b), 49 Stat. 767.

UNCONSTITUTIONAL

This section may be obsolete in view of the Supreme Court's holding that the processing and floor stock taxes provided for by the Agricultural Adjustment Act of 1933 are unconstitutional. See *U. S. v Butler*, Mass. 1936, 56 S. Ct. 312, 297 U. S. 1, 80 L. Ed. 477, 102 A. L. R. 914.

CROSS REFERENCE

Processing and compensating taxes not to be levied or collected, see section 673 of this title.

TERMINATION OF APPLICATION TO SUGAR

Provisions of this section ceased to apply to sugar on Sept. 1, 1937. See section 1180 of this title.

§ 610. Powers of Secretary of Agriculture generally—(a) Appointment of officers and employees; exemption from civil service regulations; salaries; impounding appropriations.—The Secretary of Agriculture may appoint such officers and employees, subject to the provisions of sections 661-663, 664-673, 674 of Title 5, and such experts, as are necessary to execute the functions vested in him by sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title; and the Secretary may make such appointments without regard to the civil service laws or regulations: *Provided*, That no salary in excess of \$10,000 per annum shall be paid to any officer, employee, or expert of the Agricultural Adjustment Administration, which the Secretary shall establish in the Department of Agriculture for the administration of the functions vested in him by sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title: *And provided further*, That the State Administrator appointed to administer sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title in each State shall be appointed by the President, by and with the advice and consent of the Senate. Section 8 of Title II of the Act entitled "An Act to maintain the credit of the United States Government," approved March 20, 1933, to the extent that it provides for the impoundment of appropriations on account of reductions in compensation, shall not operate to require such impoundment under appropriations contained in sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title.

(b) State and local committees or associations of producers; handlers' share of expenses of authority or agency.—(1) The Secretary of Agriculture is authorized to establish, for the more effective administration of the functions vested in him by sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, State and local committees, or associations of producers, and to permit cooperative associations of producers, when in his judgment they are qualified to do so, to act as agents of their members and patrons in connection with the distribution of payments authorized to be made under section 608 of this title. The Secretary, in the administration of sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, shall accord such recognition and encouragement to producer-owned and producer-controlled cooperative associations as will be in harmony with the policy toward cooperative associations set forth in existing Acts of Congress, and as will tend to promote efficient methods of marketing and distribution.

(2) Each order issued by the Secretary under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title shall provide that each handler subject thereto shall pay to any authority or agency established under such order such handler's pro rata share (as approved by the Secretary) of such expenses as the Secretary may find will necessarily be incurred by such authority or agency, during any period specified by him, for the maintenance and functioning of such authority or agency, other than expenses incurred in receiving, handling, holding, or disposing of any quantity of a commodity received, handled, held, or disposed of by such authority or agency for the benefit or account

of persons other than handlers subject to such order. The pro rata share of the expenses payable by a cooperative association of producers shall be computed on the basis of the quantity of the agricultural commodity or product thereof covered by such order which is distributed, processed, or shipped by such cooperative association of producers. Any such authority or agency may maintain in its own name, or in the names of its members, a suit against any handler subject to an order for the collection of such handler's pro rata share of expenses. The several District Courts of the United States are hereby vested with jurisdiction to entertain such suits regardless of the amount in controversy.

(c) Regulations; penalty for violation.—The Secretary of Agriculture is authorized, with the approval of the President, to make such regulations with the force and effect of law as may be necessary to carry out the powers vested in him by sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title. Any violation of any regulation shall be subject to such penalty, not in excess of \$100, as may be provided therein.

(d) Regulations of Secretary of Treasury.—The Secretary of Treasury is authorized to make such regulations as may be necessary to carry out the powers vested in him by section 601-608, 608a, 608c, 608d-612, 613-619, 620, 623, 624 of this title.

(e) Review of official acts.—The action of any officer, employee, or agent in determining the amount of and in making any payment authorized to be made under section 608 of this title shall not be subject to review by any officer of the Government other than the Secretary of Agriculture or Secretary of the Treasury.

(f) Geographical application.—The provisions of sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title shall be applicable to the United States and its possessions, except the Philippine Islands, the Virgin Islands, American Samoa, the Canal Zone, and the island of Guam; except that, in the case of sugar beets and sugarcane, the President, if he finds it necessary in order to effectuate the declared policy of sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, is authorized by proclamation to make the provisions of sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title applicable to the Philippine Islands, the Virgin Islands, American Samoa, the Canal Zone, and/or the island of Guam.

(g) Officers; dealing or speculating in agricultural products; penalties.—No person shall, while acting in any official capacity in the administration of sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, speculate, directly or indirectly, in any agricultural commodity or product thereof, to which sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title apply, or in contracts relating thereto, or in the stock or membership interests of any association or corporation engaged in handling, processing, or disposing of any such commodity of product. Any person violating this subsection shall upon conviction thereof be fined not more than \$10,000 or imprisoned not more than two years, or both.

(h) Provisions of Federal Trade Commission Act adopted; hearings, before whom held; report of violations to Attorney General.—For the efficient administration of the provisions of sections 608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, the provisions, including penalties, of sections 48, 49, and 50 of Title 15, are made applicable to the jurisdiction, powers, and duties of the Secretary in administering the provisions of sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title and to any person subject to the provisions of sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, whether or not a corporation. Hearings authorized or required under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title shall be conducted by the Secretary of Agriculture or such officer or employee of the Department as he may designate for the purpose. The Secretary may report any violation of any agreement entered into under sections 608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, to the Attorney General of the United States, who shall cause appropriate proceedings to enforce such agreement to be commenced and prosecuted in the proper courts of the United States without delay.

(i) Cooperation with State authorities; imparting information.—The Secretary of Agriculture upon the request of the duly constituted authorities of any State is directed, in order to effectuate the declared policy of sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title and in order to obtain uniformity in the formulation, administration, and enforcement of Federal and State programs relating to the regulation of the handling of agricultural commodities or products thereof, to confer with and hold joint hearings with the duly constituted authorities of any State, and is authorized to cooperate with such authorities; to accept and utilize, with the consent of the State, such State and local officers and employees as may be necessary; to avail himself of the records and facilities of such authorities; to issue orders (subject to the provisions of section 608c of this title) complementary to orders or other regulations issued by such authorities; and to make available to such State authorities the records and facilities of the Department of Agriculture: *Provided*, That information furnished to the Secretary of Agriculture pursuant to section 608d (1) of this title shall be made available only to the extent that such information is relevant to transactions within the regulatory jurisdiction of such authorities, and then only upon a written agreement by such authorities that the information so furnished shall be kept confidential by them in a manner similar to that required of Federal officers and employees under the provisions of section 608d (2) of this title.

(j) Definitions.—The term "interstate or foreign commerce" means commerce between any State, Territory, or possession, or the District of Columbia, and any place outside thereof; or between points within the same State, Territory, or possession, or the District of Columbia, but through any place outside thereof; or within any Territory or possession, or the District of Columbia. For the purpose of sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title (but in no wise limiting the

foregoing definition) a marketing transaction in respect to an agricultural commodity or the product thereof shall be considered in interstate or foreign commerce if such commodity or product is part of that current of interstate or foreign commerce usual in the handling of the commodity or product whereby they, or either of them, are sent from one State to end their transit, after purchase, in another, including all cases where purchase or sale is either for shipment to another State or for the processing within the State and the shipment outside the State of the products so processed. Agricultural commodities or products thereof normally in such current of interstate or foreign commerce shall not be considered out of such current through resort being had to any means or device intended to remove transactions in respect thereto from the provisions of sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title. As used herein, the word "State" includes Territory, the District of Columbia, possession of the United States, and foreign nations. (May 12, 1933, ch. 25, title I, § 10, 48 Stat. 37, June 16, 1933, ch. 98, title VIII, § 86, 48 Stat. 273; May 9, 1934, 11:23 a. m., ch. 263, § 7, 48 Stat. 675; Aug. 24, 1935, ch. 641, §§ 16-18, 49 Stat. 767; Aug. 26, 1935, ch. 685, 49 Stat. 801; June 22, 1936, 9:00 p. m., ch. 690, § 601 (a), 49 Stat. 1739; June 3, 1937, ch. 296, §§ 1, 2 (g-i), 50 Stat. 246, 248.)

APPROPRIATIONS FOR REFUNDS AND PAYMENTS OF PROCESSING AND RELATED TAXES AND LIMITATIONS THEREON

Acts June 25, 1938, ch. 681, 52 Stat. 1150; May 6, 1939, ch. 115, § 1, 53 Stat. 661, 662; February 12, 1940, ch. 28, § 1, 54 Stat. 36; March 25, 1940, ch. 71, title I, 54 Stat. 61.

Act May 31, 1941, ch. 156, title I, § 1, 55 Stat. 218; act Mar. 10, 1942, ch. 178, title I, § 1, 56 Stat. 156; June 30, 1943, ch. 179, title I, 57 Stat. 257.

TERMINATION OF APPLICATION TO SUGAR

Provisions of this section ceased to apply to sugar on Sept. 1, 1937. See section 1180 of this title.

CROSS REFERENCE

Applicability of this section to hog-cholera and virus provisions, see section 855 of this title.

TRANSFER OF FUNCTIONS

Agricultural Adjustment Administration consolidated with other agencies into Agricultural Conservation and Adjustment Administration for duration of war, see Ex. Ord. No. 9069, set out in note under section 601 of Appendix to Title 50, War.

§ 611. "Basic agricultural commodity" defined; exclusion of commodities.—As used in sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, the term "basic agricultural commodity" means wheat, rye, flax, barley, cotton, field corn, grain sorghums, hogs, cattle, rice, potatoes, tobacco, peanuts, sugar beets and sugarcane, and milk and its products, and any regional or market classification, type, or grade thereof; but the Secretary of Agriculture shall exclude from the operation of the provisions of sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, during any period, any such commodity or classification, type, or grade thereof if he finds, upon investiga-

tion at any time and after due notice and opportunity for hearing to interested parties, that the conditions of production, marketing, and consumption are such that during such period sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title can not be effectively administered to the end of effectuating the declared policy with respect to such commodity or classification, type, or grade thereof. As used in sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, the term "potatoes" means all varieties of potatoes included in the species *Solanum tuberosum*. (May 12, 1933, ch. 25, title I, § 11, 48 Stat. 38; Apr. 7, 1934, ch. 103, §§ 1, 3 (b), 4, 5, 48 Stat. 528; May 9, 1934, 11:23 a. m., ch. 263, § 1, 48 Stat. 670; Aug. 24, 1935, ch. 641, § 61, 49 Stat. 782.)

TERMINATION OF APPLICATION TO SUGAR

Provisions of this section ceased to apply to sugar on Sept. 1, 1937. See section 1180 of this title.

§ 612. Appropriation; use of revenues derived from taxes; administrative expenses, what included.—(a) There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$100,000,000 to be available to the Secretary of Agriculture for administrative expenses under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title and for payments authorized to be made under section 608 of this title. Such sum shall remain available until expended. To enable the Secretary of Agriculture to finance, under such terms and conditions as he may prescribe, surplus reductions with respect to the dairy- and beef-cattle industries, and to carry out any of the purposes described in subsections (a) and (b) of this section and to support and balance the markets for the dairy and beef cattle industries, there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$200,000,000: *Provided*, That not more than 60 per centum of such amount shall be used for either of such industries.

(b) In addition to the foregoing, for the purpose of effectuating the declared policy of sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, a sum equal to the proceeds derived from all taxes imposed under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title is hereby appropriated to be available to the Secretary of Agriculture for (1) the acquisition of any agricultural commodity pledge as security for any loan made by any Federal agency, which loan was conditioned upon the borrower agreeing or having agreed to cooperate with a program of production adjustment or marketing adjustment adopted under the authority of sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, and (2) the following purposes under sections 608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title: Administrative expenses, payments authorized to be made under section 608 of this title, and refunds on taxes. The Secretary of Agriculture and the Secretary of the Treasury shall jointly estimate from time to time the amounts, in addition to any money available under subsection (a), currently required for such purposes; and the Secretary of

the Treasury shall, out of any money in the Treasury not otherwise appropriated, advance to the Secretary of Agriculture the amounts so estimated. The amount of any such advance shall be deducted from such tax proceeds as shall subsequently become available under this subsection.

(c) The administrative expenses provided for under this section shall include, among others, expenditures for personal services and rent in the District of Columbia and elsewhere, for law books and books of reference, for contract stenographic reporting services, and for printing and paper in addition to allotments under the existing law. The Secretary of Agriculture shall transfer to the Treasury Department, and is authorized to transfer to other agencies out of funds available for administrative expenses under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, such sums as are required to pay administrative expenses incurred and refunds made by such department or agencies in the administration of sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title. (May 12, 1933, ch. 25, title I, § 12, 48 Stat. 38; Apr. 7, 1934, ch. 103, § 2, 48 Stat. 528; Aug. 24, 1935, ch. 641, §§ 3, 19, 49 Stat. 753, 768; June 3, 1937, ch. 296, §§ 1, 2, (j), 50 Stat. 246, 248.)

VALIDITY OF SECTION AFFIRMED

Act June 3, 1937, ch. 296, § 1, 50 Stat. 246, affirmed and validated, and reenacted without change the provisions of subdivisions (a) and (c) of this section, except for the amendment to subdivision (a) by section 2 of the act. See note to section 601 of this title.

TERMINATION OF APPLICATION TO SUGAR

Provisions of this section ceased to apply to sugar on Sept. 1, 1937. See section 1180 of this title.

SETTLEMENT OF CERTAIN CLAIMS AND ACCOUNTS

Act June 5, 1942, ch. 349, §§ 2, 3, 56 Stat. 324, authorized Comptroller General to relieve disbursing and certifying officers from liability for payments made prior to January 6, 1936, under Agricultural Adjustment Act of 1933 or amendments thereto, or under the appropriation "Payments for Agricultural Adjustment" in act Feb. 11, 1936, ch. 49, 49 Stat. 1116, upon certificate of Secretary of Agriculture that such payments were made in good faith, and also provided that no action should be taken to recover such excess payments, if the Secretary of Agriculture should further certify that in view of the good faith of the parties or other circumstances of the case, such attempt to recover them would be inadvisable or inequitable.

§ 612a. Additional appropriation authorized; use in connection with dairy and beef products.—There is authorized to be appropriated the sum of \$50,000,000 to enable the Secretary of Agriculture to make advances to the Surplus Marketing Administration for the purchase of dairy and beef products for distribution for relief purposes, and to enable the Secretary of Agriculture, under rules and regulations to be promulgated by him and upon such terms as he may prescribe, to eliminate diseased dairy and beef cattle, including cattle suffering from tuberculosis or Bangs' disease, and to make payments to owners with respect thereto. (Apr. 7, 1934, ch. 103, § 6, 48 Stat. 528; Reorg. Plan No. III, § 5, 5 Fed. Reg. 2108, 54 Stat. 1232.)

TRANSFER OF FUNCTIONS

Surplus Marketing Administration, including Federal Surplus Commodities Corporation as an agency of Department of Agriculture, consolidated with other agencies into Agricultural Marketing Administration for duration of war, see Ex. Ord. 9069, set out in note under section 601 of Appendix to Title 50, War.

§ 612c. Appropriation to encourage exportation and domestic consumption of agricultural products.—There is appropriated for each fiscal year beginning with the fiscal year ending June 30, 1936 an amount equal to 30 per centum of the gross receipts from duties collected under the customs law during the period January 1 to December 31, both inclusive, preceding the beginning of each such fiscal year. Such sums shall be maintained in a separate fund and shall be used by the Secretary of Agriculture only to (1) encourage the exportation of agricultural commodities and products thereof by the payment of benefits in connection with the exportation thereof or of indemnities for losses incurred in connection with such exportation or by payments to producers in connection with the production of that part of any agricultural commodity required for domestic consumption; (2) encourage the domestic consumption of such commodities or products by diverting them, by the payment of benefits or indemnities or by other means, from the normal channels of trade and commerce or by increasing their utilization through benefits, indemnities, donations or by other means, among persons in low income groups as determined by the Secretary of Agriculture; and (3) reestablish farmers' purchasing power by making payments in connection with the normal production of any agricultural commodity for domestic consumption. Determinations by the Secretary as to what constitutes diversion and what constitutes normal channels of trade and commerce and what constitutes normal production for domestic consumption shall be final.

The sums appropriated under this section shall be expended for such one or more of the above-specified purposes, and at such times, in such manner, and in such amounts as the Secretary of Agriculture finds will effectuate substantial accomplishment of any one or more of the purposes of this section. Notwithstanding any other provision of this section, the amount that may be devoted, during any fiscal year after June 30, 1939, to any one agricultural commodity or the products thereof in such fiscal year, shall not exceed 25 per centum of the funds available under this section for such fiscal year. (Aug. 24, 1935, ch. 641, § 32, 49 Stat. 774; Feb. 29, 1936, ch. 104, § 2, 49 Stat. 1151; Feb. 16, 1938, 3 p. m., ch. 30, § 203, 52 Stat. 38; June 30, 1939, ch. 253, title I, 53 Stat. 975.)

ADDITIONAL APPROPRIATIONS

Resolution June 26, 1940, ch. 432, § 41, 54 Stat. 627, appropriated, in addition to the funds already provided, \$50,000,000, to be used by the Secretary of Agriculture, for the purpose of effectuating this section, subject to the provisions of law relating to the expenditure of such funds.

Act June 25, 1940, ch. 421, § 1, 54 Stat. 561, made the funds provided for in this section available for the fiscal year 1941.

Act June 30, 1939, cited to text, besides amending clause 2, provided for the availability of funds provided by this section during the fiscal year 1940.

Act Aug. 25, 1937, ch. 757, § 1, title I, 50 Stat. 762, provided for avail-

ability of portions of funds available under this section in fiscal years 1938 and 1939, for expenditure for price-adjustment payments with respect to 1937 cotton crop.

Res. July 1, 1941, ch. 266, § 34, 55 Stat. 407, appropriated, in addition to the funds already provided, \$25,000,000, to be used by the Secretary of Agriculture, for the purpose of effectuating this section, subject to the provisions of law relating to the expenditure of such funds.

Act July 1, 1941, ch. 267, § 1, 55 Stat. 435, made the funds provided for in this section available for the fiscal year 1942.

FOOD STAMP PLAN

Act June 25, 1940, ch. 421, § 1, 54 Stat. 563, provided: "That said 25 per centum provision and the like provision in said section 32 (this section), as amended, shall not apply to amounts devoted to a stamp plan for the removal of surplus agricultural commodities from funds made available hereby and by said section 32 (this section), and, notwithstanding expenditures under such stamp plan, the 25 per centum provision shall continue to be calculated on the aggregate amount available hereunder and under said section 32 (this section)."

REPEATED.—Act July 1, 1941, ch. 267, § 1, 55 Stat. 438.

CROSS REFERENCE

Transfer of funds to Federal Surplus Commodities Corporation, consolidated into the Surplus Marketing Administration, to effectuate clause (2) of this section, see section 713c of Title 15, Commerce and Trade.

§ 613. **Termination of sections in chapter.**—Sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title shall cease to be in effect whenever the President finds and proclaims that the national economic emergency in relation to agriculture has been ended; and pending such time the President shall by proclamation terminate with respect to any basic agricultural commodity such provisions of sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title as he finds are not requisite to carrying out the declared policy with respect to such commodity. In the case of sugar beets and sugarcane, the taxes provided by sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title shall cease to be in effect, and the powers vested in the President or in the Secretary of Agriculture shall terminate on December 31, 1937 unless sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title cease to be in effect at an earlier date, as hereinabove provided. The Secretary of Agriculture shall make such investigations and reports thereon to the President as may be necessary to aid him in executing this section. (May 12, 1933, ch. 25, title I, § 13, 48 Stat. 39; May 9, 1934, 11:23 a. m., ch. 263, § 15, 48 Stat. 677; Aug. 24, 1935, ch. 641, § 20, 49 Stat. 768.)

TERMINATION OF APPLICATION TO SUGAR

Provisions of this section ceased to apply to sugar on Sept. 1, 1937. See section 1180 of this title.

§ 614. **Separability clause.**—If any provision of sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title is declared unconstitutional, or the applicability thereof to any person, circumstance, or commodity is held invalid the validity of the remainder of sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title and the applicability thereof to other persons, circumstances, or commodities shall not be affected

thereby. (May 12, 1933, ch. 25, title I, § 14, 48 Stat. 39; June 3, 1937, ch. 296, § 1, 50 Stat. 246.)

VALIDITY OF SECTION AFFIRMED

Act June 3, 1937, ch. 296, § 1, 50 Stat. 246, affirmed and validated, and reenacted without change the provisions of this section. See note to section 601 of this title.

§ 615. Refunds of tax; exemptions from tax; compensating tax; compensating tax on foreign goods; covering into Treasury.—(a) If at any time the Secretary of Agriculture finds, upon investigation and after due notice and opportunity for hearing to interested parties, that any class of products of any commodity is of such low value, considering the quantity of the commodity used for their manufacture, that the imposition of the processing tax would prevent in whole or in large part the use of the commodity in the manufacture of such products and thereby substantially reduce consumption and increase the surplus of the commodity, then the Secretary of Agriculture shall so certify to the Secretary of the Treasury, specifying whether such result will in his judgment most effectively be prevented by a suspension of the imposition of the processing tax or a refund of the tax paid, with respect to such amount of the commodity or any product thereof as is used in the manufacture of such products, and thereafter, as shall be specified in such certification, (1) the imposition of the processing tax shall be suspended with respect to such amount of the commodity as is used in the manufacture of such products, and thereafter, as shall be specified in such certification, (2) the imposition of the processing tax shall be suspended with respect to such amount of the commodity as is used in the manufacture of such products until such time as the Secretary of Agriculture, after further investigation and due notice and opportunity for hearing to interested parties, revokes his certification to the Secretary of the Treasury, or (3) the Secretary of the Treasury shall refund (in accordance with the provisions of, to such persons and in such manner as shall be specified in, such certification) the amount of any tax paid (prior to the date of any revocation by the Secretary of Agriculture of his certification to the Secretary of the Treasury, upon further investigation and after due notice and opportunity for hearing to interested parties) under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title with respect to such amount of the commodity or any product thereof as is used after the date of such certification in the manufacture of such products, or shall credit against any tax due and payable under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title the amount of tax which would be refundable. During the period in which any certificate under this section is effective, the provisions of subsection (e) of this section shall be suspended with respect to all imported articles of the kind described in such certificate; and notwithstanding the provisions of section 623 of this title, any compensating taxes, which have heretofore, during the period in which any certificate under this section has been effective, become due and payable upon imported articles of the kind described in such certificate,

shall be refunded by the Secretary of the Treasury if the same have been paid, or, if the same have not been paid the amount thereof shall be abated. Notwithstanding the provisions of section 623 of this title, the Secretary of the Treasury shall refund or credit any processing tax paid on or before June 12, 1934, with respect to such amount of cotton as was used in the manufacture of large cotton bags (as defined in the Certificate of the Secretary of Agriculture, dated June 12, 1934) between June 13 and July 7, 1934, both inclusive.

(b) No tax shall be required to be paid on the processing of any commodity by or for the producer thereof for consumption by his own family, employees, or household; and the Secretary of Agriculture is authorized, by regulations, to exempt from the payment of the processing tax the processing of commodities by or for the producer thereof for sale by him where, in the judgment of the Secretary, the imposition of a processing tax with respect thereto is unnecessary to effectuate the declared policy.

(b-1) The Secretary of Agriculture is authorized and directed to issue tax-payment warrants, with respect to rough rice produced in 1933 and 1934 (provided the processing of such rice is not exempt from the tax, and provided no tax payment warrant has been previously issued with respect thereto or previously applied for by application then pending, sufficient to cover the tax with respect to the processing thereof at the rate in effect at the time of such issuance, to any processor with respect to any such rice which he had in his possession on March 31, 1935, and to, or at the direction of any other person with respect to any such rice which, on or after April 1, 1935, he delivers for processing or sells to a processor: *Provided*, That in case any such processor or other person is the producer of such rice (or has received such rice by gift, bequest, or descent from the producer thereof) that such possessor or other person is, if eligible, a cooperating producer: *And provided further*, That in case such processor or other person is not the producer thereof (nor a person who has received such rice by gift, bequest, or descent from the producer thereof), (a) that, if the title to such rice was transferred from the producer thereof, whether by operation of law or otherwise, prior to April 1, 1935, such producer received the price prescribed in any marketing agreement, license regulation, or administrative ruling, pursuant to sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, applicable to the sale of such rice by the producer, and (b) that, if the title to such rice was transferred from the producer thereof, whether by operation of law or otherwise, on or after April 1, 1935, such producer received at least the full market price therefor plus an amount equal to 99 per centum of the face value of tax-payment warrants sufficient to cover the tax on the processing of such rice at rate in effect at the time title was so transferred, and was if eligible, a cooperating producer.

(b-2) The warrants authorized and directed to be issued by subsection (b-1) of this section—

(1) shall be issued by the Secretary of Agriculture or his duly authorized agent in such manner, at such time or times, at such

place or places, in such form, and subject to such terms and conditions with reference to the transfer thereof or the voiding of warrants fraudulently obtained and/or erroneously issued, as the Secretary of Agriculture may prescribe, and the Secretary of Agriculture is authorized to discontinue the further issuance of tax-payment warrants at any time or times and in any region or regions when he shall determine that the rice in any such region or regions can no longer be identified adequately as rice grown in 1933 or 1934; and

(2) shall be accepted by the Collector of Internal Revenue and the Secretary of the Treasury at the face value thereof in payment of any processing tax on rice.

(b-3) (1) Any person who deals or traffics in, or purchases any such tax-payment warrant or the right of any person thereto at less than 99 per centum of its face value shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$1,000 or imprisoned for not more than one year, or both.

(2) Any person who, with intent to defraud, secures or attempts to secure, or aids or assists in or procures, counsels, or advises, the securing or attempting to secure any tax-payment warrant with respect to rice as to which any tax-payment warrant has been theretofore issued shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$1,000 or imprisoned for not more than one year, or both.

(3) Any person who with intent to defraud forges, makes, alters, or counterfeits any tax-payment warrant or any stamp, tag, or other means of identification provided for by sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title or any regulation issued pursuant thereto, or makes any false entry upon such warrant or any false statement in any application for the issuance of such warrant, or who uses, sells, lends, or has in his possession any such altered, forged, or counterfeited warrant or stamp, tag, or other means of identification, or who makes, uses, sells, or has in his possession any material in imitation of the material used in the manufacture of such warrants or stamps, tags, or other means of identification, shall, upon conviction thereof, be punished by a fine not exceeding \$5,000 or by imprisonment not exceeding five years, or both.

(4) All producers, warehousemen, processors, and common carriers, having information with respect to rice produced in the years 1933 or 1934, may be required to furnish to the Secretary of Agriculture such information as he shall, by order, prescribe as necessary to safeguard the issuance, transfer, and/or use of tax-payment warrants.

(5) The Secretary of Agriculture may make regulations protecting the interests of producers (including share-tenants and share-croppers) and others, in the issuance, holding, use, and/or transfer of such tax-payment warrants.

(c) Any person, including any State or Federal organization or institution, delivering any product to any organization for charitable distribution or use, including any State or Federal welfare organization, for its own use, whether the product is delivered as merchandise, or as a container for merchandise, or otherwise,

shall, if such product or the commodity from which processed is under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title subject to tax to be entitled to a refund of the amount of any tax due and paid under said sections with respect to such product so delivered, or to a credit against any tax due and payable under said sections of the amount of tax which would be refundable under this section with respect to such product so delivered: *Provided, however,* That no tax shall be refunded or credited under this section, unless the person claiming the refund or credit establishes, in accordance with regulations prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury (1) that he has not included the tax in the price of the product so delivered or collected the amount of the tax from the said organization, or (2) that he has repaid, or has agreed in writing to repay, the amount of the tax to the said organization. The word "State" as used in this section shall include a State and any political subdivision thereof.

(d) The Secretary of Agriculture shall ascertain from time to time whether the payment of the processing tax upon any basic agricultural commodity is causing or will cause to the processors or producers thereof disadvantages in competition from competing commodities by reason of excessive shifts in consumption between such commodities or products thereof. If the Secretary of Agriculture finds, after investigation and due notice and opportunity for hearing to interested parties, that such disadvantages in competition exist, or will exist, he shall proclaim such finding. The Secretary shall specify in this proclamation the competing commodity and the compensating rate of tax on the processing thereof necessary to prevent such disadvantages in competition. Thereafter there shall be levied, assessed, and collected upon the first domestic processing of such competing commodity a tax, to be paid by the processor, at the rate specified, until such rate is altered pursuant to a further finding under this section, or the tax or rate thereof on the basic agricultural commodity is altered or terminated. In no case shall the tax imposed upon such competing commodity exceed that imposed per equivalent unit as determined by the Secretary, upon the basic agricultural commodity.

(e) During any period for which a processing tax is in effect with respect to any commodity there shall be levied, assessed, collected, and paid upon any article processed or manufactured wholly or partly from such commodity and imported into the United States or any possession thereof to which sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title apply, from any foreign country or from any possession of the United States to which said sections do not apply, whether imported as merchandise, or as a container of merchandise, or otherwise, a compensating tax equal to the amount of the processing tax in effect with respect to domestic processing of such commodity into such an article at the time of importation: *Provided,* (1) That in the event any of the provisions of said sections have been or are hereafter made applicable to any possession of the United

States in the case of any particular commodity or commodities, but not generally, said sections, for the purposes of this subsection, shall be deemed applicable to such possession with respect to such commodity or commodities but shall not be deemed applicable to such possession with respect to other commodities; and (2) That all taxes collected under this subsection upon articles coming from the possessions of the United States to which sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title do not apply shall not be covered into the general fund of the Treasury of the United States but shall be held as a separate fund and paid into the Treasury of the said possessions respectively, to be used and expended by the governments thereof for the benefit of agriculture. Such tax shall be paid prior to the release of the article from customs custody or control.

(f) The President, in his discretion, is authorized by proclamation to decree that all or part of the taxes collected from the processing of sugar beets or sugarcane in Puerto Rico, the Territory of Hawaii, the Philippine Islands, the Virgin Islands, American Samoa, the Canal Zone, and/or the island of Guam (if the provisions of sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title are made applicable thereto), and/or upon the processing in continental United States of sugar produced in, or coming from, said areas, shall not be covered into the general fund of the Treasury of the United States but shall be held as a separate fund, in the name of the respective area to which related, to be used and expended for the benefit of agriculture and/or paid as rental or benefit payments in connection with the reduction in the acreage, or reduction in the production for market, or both, of sugar beets and/or sugarcane, and/or used and expended for expansion of markets and for removal of surplus agricultural products in such areas, respectively, as the Secretary of Agriculture, with the approval of the President, shall direct. (May 12, 1933, ch. 25, title I, § 15, 48 Stat. 39; May 9, 1934, 11:23 a. m., ch. 263 §§ 8, 11, 48 Stat. 675, 676; June 16, 1934, ch. 551, 48 Stat. 973; June 26, 1934, ch. 759, § 1, 48 Stat. 1241; Mar. 18, 1935, ch. 32, §§ 8, 9, 49 Stat. 47, 48; Aug. 24, 1935, ch. 641, §§ 21-24, 49 Stat. 768; June 22, 1936, 9:00 p. m., ch. 690, § 601 (a), 49 Stat. 1739.)

APPROPRIATIONS FOR REFUNDS AND PAYMENTS OF PROCESSING AND RELATED TAXES AND LIMITATIONS THEREON

Acts June 25, 1938, ch. 681, 52 Stat. 1150; May 6, 1939, ch. 115, § 1, 53 Stat. 661, 662; Feb. 12, 1940, ch. 28, § 1, 54 Stat. 36; Mar. 25, 1940, ch. 71, title I, 54 Stat. 61.

TERMINATION OF APPLICATION TO SUGAR

Provisions of this section ceased to apply to sugar on Sept. 1, 1937. See section 1180 of this title.

CROSS REFERENCES

Conditions on allowance of refunds, see section 644 of this title.

Other refund provisions, see sections 622, 623, 641-659 of this title.

Processing and compensating taxes not to be levied or collected, see section 673 of this title.

§ 616. Stock on hand when tax takes effect or terminates.—

(a) Upon the sale or other disposition of any article processed wholly or in chief value from any commodity with respect to which a processing tax is to be levied, that on the date the tax first takes effect or wholly terminates with respect to the commodity, is held for sale or other disposition (including articles in transit) by any person, there shall be made a tax adjustment as follows:

(1) Whenever the processing tax first takes effect, there shall be levied, assessed, and collected a tax to be paid by such person equivalent to the amount of the processing tax which would be payable with respect to the commodity from which processed if the processing had occurred on such date. Such tax upon articles imported prior to, but in customs custody or control on, the effective date, shall be paid prior to release therefrom. In the case of sugar, the tax on floor stocks, except the retail stocks of persons engaged in retail trade, shall be paid for the month in which the stocks are sold, or used in the manufacture of other articles, under rules and regulations prescribed by the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury.

(2) Whenever the processing tax is wholly terminated, (A) there shall be refunded or credited in the case of a person holding such stocks with respect to which a tax under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title has been paid, or (B) there shall be credited or abated in the case of a person holding such stocks with respect to which a tax under said sections is payable, where such person is the processor liable for the payment of such tax, or (C) there shall be refunded or credited (but not before the tax has been paid) in the case of a person holding such stocks with respect to which a tax under said sections is payable, where such person is not the processor liable for the payment of such tax, a sum in an amount equivalent to the processing tax which would have been payable with respect to the commodity from which processed if the processing had accrued on such date: *Provided*, That in the case of any commodity with respect to which there was any increase, effective prior to June 1, 1934, in the rate of the processing tax, no such refund, credit, or abatement, shall be in an amount which exceeds the equivalent of the initial rate of the processing tax in effect with respect to such commodity.

(b) The tax imposed by subsection (a) shall not apply to the retail stocks of persons engaged in retail trade, held at the date the processing tax first takes effect; but such retail stocks shall not be deemed to include stocks held in a warehouse on such date, or such portion of other stocks held on such date as are not sold or otherwise disposed of within thirty days thereafter. Except as to flour and prepared flour, and cereal preparations made chiefly from wheat, as classified in Wheat Regulations, Series 1, Supplement 1, and as to any article processed wholly or in chief value from cotton, the tax refund, credit, or abatement provided in subsection (a) of this section shall not apply to the retail stocks of persons engaged in retail trade, nor to any article (except sugar) processed wholly or in chief value from sugar beets, sugarcane, or any product thereof, nor to any article (except flour, prepared flour and cereal preparations made chiefly from

wheat, as classified in Wheat Regulations, Series 1, Supplement 1) processed wholly or in chief value from wheat, held on the date the processing tax is wholly terminated.

(c) (1) Any sugar, imported prior to the effective date of a processing tax on sugar beets and sugarcane, with respect to which it is established (under regulations prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury) that there was paid at the time of importation a duty at the rate in effect on January 1, 1934, and (2) any sugar held on April 25, 1934, by, or to be delivered under a bona fide contract of sale entered into prior to April 25, 1934, to, any manufacturer or converter, for use in the production of any article (except sugar) and not for ultimate consumption as sugar, and (3) any article (except sugar) processed wholly or in chief value from sugar beets, sugarcane, or any product thereof, shall be exempt from taxation under subsection (a) of this section, but sugar held in customs custody or control on April 25, 1934, shall not be exempt from taxation under subsection (a) of this section, unless the rate of duty paid upon the withdrawal thereof was the rate of duty in effect on January 1, 1934. The provisions of paragraph (2) of subsection (a) of this section shall not apply in the case of sugar beets or sugarcane or the products thereof.

(d) The Secretary of Agriculture is authorized to purchase, out of such proceeds of taxes as are available therefor, during the period sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title are in effect with respect to sugar beets and sugarcane, not in excess of three hundred thousand tons of sugar raw value from the surplus stocks of direct-consumption sugar produced in the United States beet-sugar area, at a price not in excess of the market price for direct consumption sugar on the date of purchase, and to dispose of such sugar by sale or otherwise, including distribution to any organization for the relief of the unemployed, under such conditions and at such times as will tend to effectuate the declared policy of section 608a of this title. The sugar so purchased shall not be included in the quota for the United States beet-sugar area. All proceeds received by the Secretary of Agriculture, in the exercise of the powers granted hereby, are appropriated to be available to the Secretary of Agriculture for the purposes described in subsections (a) and (b) of section 612 of this title.

(e) Upon the sale or other disposition of any article processed wholly or in chief value from any commodity with respect to which the existing rate of the processing tax is to be increased, or decreased, that on the date such increase, or decrease, first takes effect with respect to the commodity, is held for sale or other disposition (including articles in transit) by any person, and upon the production of any article from a commodity in process on the date on which the rate of the processing tax is to be increased or decreased, there shall be made a tax adjustment as follows:

(1) Whenever, on or after June 1, 1934, the rate of the processing tax on the processing of the commodity generally or for any designated use or uses, or as to any designated product or

products thereof for any designated use or uses, or as to any class of products, is decreased, there shall be credited or refunded to such person an amount equivalent to the difference between the rate of the processing tax payable or paid at the time immediately preceding the decrease in rate and the rate of the processing tax which would have been payable with respect to the commodity from which processed, if the processing had occurred on such date: *Provided, however,* That no such credit or refund shall be made in the case of hogs unless the rate of the processing tax immediately preceding said decrease is equal to, or less than, the rate of the processing tax in effect on the date on which any floor stocks tax was paid prior to the adoption of this subsection. In the case of wheat the provisions of this paragraph and of paragraph (2) of this subsection shall apply to flour, prepared flour and cereal preparations made chiefly from wheat, as classified in Wheat Regulations, Series 1, Supplement 1 only; in the case of sugarcane and sugar beets the provisions of this paragraph and of paragraph (2) of this subsection shall apply to sugar only.

(2) Whenever the rate of the processing tax on the processing of the commodity generally, or for any designated use or uses, or as to any designated product or products thereof for any designated use or uses, or as to any class of products, is increased, there shall be levied, assessed and collected a tax to be paid by such person equivalent to the difference between the rate of the processing tax payable or paid at the time immediately preceding the increase in rate and the rate of the processing tax which would be payable with respect to the commodity from which processed, if the processing had occurred on such date.

(3) Whenever the processing tax is suspended or is to be refunded pursuant to a certification of the Secretary of Agriculture to the Secretary of the Treasury, under section 615 (a) of this title, the provisions of subdivision (1) of this subsection shall become applicable.

(4) Whenever the Secretary of Agriculture revokes any certification to the Secretary of the Treasury under section 615 (a) of this title, the provisions of subdivision (2) of this subsection shall become applicable.

(5) The provisions of subsection (e) shall be effective on and after June 1, 1934.

(f) The provisions of this section shall not be applicable with respect to rice. (May 12, 1933, ch. 25, title I, § 16, 48 Stat. 40; May 9, 1934, 11:23 a. m., ch. 263, §§ 10, 17, 48 Stat. 676, 678; June 26, 1934, ch. 759, § 1, 48 Stat. 1241; Mar. 18, 1935, ch. 32, § 10, 49 Stat. 48; Aug. 24, 1935, ch. 641, §§ 20, 25-27, 49 Stat. 768, 769; June 4, 1936, ch. 501, 49 Stat. 1464; June 22, 1936, 9:00 p. m., ch. 690, § 601 (a), (c), (g), 49 Stat. 1739, 1740.)

UNCONSTITUTIONAL

This section may be obsolete in view of the Supreme Court's holding that the processing and floor stock taxes provided for by the Agricultural Adjustment Act of 1933 are unconstitutional. See *U. S. v. Butler*, Mass. 1936, 56 S. Ct. 312, 297 U. S. 1, 80 L. Ed. 477, 102 A. L. R. 914.

APPROPRIATIONS FOR REFUNDS AND PAYMENTS OF PROCESSING AND RELATED
TAXES AND LIMITATIONS THEREON

Acts June 25, 1938, ch. 681, 52 Stat. 1150; May 6, 1939, ch. 115, § 1, 53 Stat. 661, 662; Feb. 12, 1940, ch. 28, § 1, 54 Stat. 36; Mar. 25, 1940, ch. 71, title I, 54 Stat. 61.

REPEAL

Subsection (g) of this section, relating to time for filing refunds, was repealed by act June 22, 1936, 9:00 p. m., ch. 690, § 601 (c). 49 Stat. 1739.

TERMINATION OF APPLICATION TO SUGAR

Provisions of this section ceased to apply to sugar on Sept. 1, 1937. See section 1180 of this title.

§ 617. Refund on goods exported; bond to suspend tax on commodity intended for export.—(a) Upon the exportation to any foreign country (and/or to the Philippine Islands, the Virgin Islands, American Samoa, the Canal Zone, and the island of Guam) of any product processed wholly or partly from a commodity with respect to which product or commodity a tax has been paid or is payable under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, the tax due and payable or due and paid shall be credited or refunded. Under regulations prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, the credit or refund shall be allowed to the consignor named in the bill of lading under which the product is exported or to the shipper or to the person liable for the tax provided the consignor waives any claim thereto in favor of such shipper or person liable for the tax. In the case of rice, a tax due under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title which has been paid by a tax-payment warrant shall be deemed for the purposes of this subsection to have been paid; and with respect to any refund authorized under this section, the amount scheduled by the Commissioner of Internal Revenue for refunding shall be paid, any provision of law notwithstanding. In the case of sugar beets and sugarcane, this subsection shall be applicable to exports of products thereof to the Philippine Islands, the Virgin Islands, American Samoa, the Canal Zone, and/or the island of Guam only if this chapter with respect to sugar beets and sugarcane is not made applicable thereto. The term "product" includes any product exported as merchandise, or as a container for merchandise, or otherwise.

(b) Upon the giving of bond satisfactory to the Secretary of the Treasury for the faithful observance of the provisions of section 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title requiring the payment of taxes, any person shall be entitled, without payment of the tax, to process for such exportation any commodity with respect to which a tax is imposed by said sections, or to hold for such exportation any article processed wholly or partly therefrom. (May 12, 1933, ch. 25, title I, § 17, 48 Stat. 40; May 9, 1934, 11:23 a. m., ch. 263, §§ 12, 13, 48 Stat. 676; Mar. 18, 1935, ch. 32, § 11, 49 Stat. 48; Aug. 24, 1935, ch. 641, § 28, 49 Stat. 770; June 22, 1936, 9:00 p. m., ch. 690, § 601 (a), 49 Stat. 1739.)

APPROPRIATIONS FOR REFUNDS AND PAYMENTS OF PROCESSING AND RELATED
TAXES AND LIMITATIONS THEREON

Acts June 25, 1938, ch. 681, 52 Stat. 1150; May 6, 1939, ch. 115, § 1, 53 Stat. 661, 662; Feb. 12, 1940, ch. 28, § 1, 54 Stat. 36; Mar. 25, 1940, ch. 71, title I, 54 Stat. 61.

TERMINATION OF APPLICATION TO SUGAR

Provisions of this section ceased to apply to sugar on Sept. 1, 1937. See section 1180 of this title.

§ 618. Existing contracts; imposition of tax on vendee; collection.—(a) If (1) any processor, jobber, or wholesaler has, prior to the date a tax with respect to any commodity is first imposed under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, made a bona fide contract of sale for delivery on or after such date, of any article processed wholly or in chief value from such commodity, and if (2) such contract does not permit the addition to the amount to be paid thereunder of the whole of such tax, then (unless the contract prohibits such addition) the vendee shall pay so much of the tax as is not permitted to be added to the contract price.

(b) Taxes payable by the vendee shall be paid to the vendor at the time the sale is consummated and shall be collected and paid to the United States by the vendor in the same manner as other taxes under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title. In case of failure or refusal by the vendee to pay such taxes to the vendor, the vendor shall report the facts to the Commissioner of Internal Revenue who shall cause collections of such taxes to be made from the vendee. (May 12, 1933, ch. 25, title I, § 18, 48 Stat. 41.)

TERMINATION OF APPLICATION TO SUGAR

Provisions of this section ceased to apply to sugar on Sept. 1, 1937. See section 1180 of this title.

CROSS REFERENCE

Processing and compensating taxes not to be levied or collected, see section 673 of this title.

§ 619. Collection of tax; provisions of internal revenue laws applicable; loans from Reconstruction Finance Corporation.—

(a) The taxes provided in sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title shall be collected by the Division of Internal Revenue under the direction of the Secretary of the Treasury. Such taxes shall be paid into the Treasury of the United States.

(b) All provisions of law, including penalties, applicable with respect to the taxes imposed by section 600 of the Revenue Act of 1926, and the provisions of section 626 of the Revenue Act of 1932, shall, in so far as applicable and not inconsistent with the provisions of sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, be applicable in respect of taxes imposed by said sections: *Provided*, That the Secretary of the Treasury is authorized to permit postponement, for a period not exceeding one hundred and eighty days, of the payment of not exceeding three-fourths of the amount of the taxes covered by any return under

said sections, but postponement of all taxes covered by returns under said sections for a period not exceeding one hundred and eighty days may be permitted in cases in which the Secretary of the Treasury authorizes such taxes to be paid each month on the amount of the commodity marketed during the next preceding month.

(c) In order that the payment of taxes under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title may not impose any immediate undue financial burden upon processors or distributors, any processor or distributor subject to such taxes shall be eligible for loans from the Reconstruction Finance Corporation under section 605 of Title 15.

(d) Under regulations made by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, any person required pursuant to the provisions of sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title to file a return may be required to file such return and pay the tax shown to be due thereon to the collector of internal revenue for the district in which the processing was done or the liability was incurred. Whenever the Commissioner of Internal Revenue deems it necessary, he may require any person or class of persons handling or dealing in any commodity or product thereof, with respect to which a tax is imposed under the provisions of said sections, to make a return, render under oath such statements, or to keep such records, as the Commissioner deems sufficient to show whether or not such person, or any other person, is liable for the tax. (May 12, 1933, ch. 25, title I, § 19, 48 Stat. 41; Ex. Ord. No. 6166, June 10, 1933; June 26, 1934, ch. 759, § 3, 48 Stat. 1242; Aug. 24, 1935, ch. 641, § 29, 49 Stat. 770.)

REFERENCE IN TEXT

The provisions of section 600 of the Revenue Act of 1926 and section 626 of the Revenue Act of 1932, to which reference is made in this section, are now incorporated in sections 2700, 2704, and 3448 of Title 26, Internal Revenue Code.

UNCONSTITUTIONAL

This section may be obsolete in view of the Supreme Court's holding that the processing and floor stock taxes provided for by the Agricultural Adjustment Act of 1933 are unconstitutional. See *U. S. v. Butler*, Mass. 1936, 56 S. Ct. 312, 297 U. S. 1, 80 L. Ed. 477, 102 A. L. R. 914.

TERMINATION OF APPLICATION TO SUGAR

Provisions of this section ceased to apply to sugar on Sept. 1, 1937. See section 1180 of this title.

CROSS REFERENCE

Processing and compensating taxes not to be levied or collected, see section 673 of this title.

§ 619a. Cotton tax, time for payment.—The processing tax authorized by section 609 of this title, when levied upon cotton, shall be payable ninety days after the filing of the processor's report: *Provided*, That, under regulations to be prescribed by the Secretary of the Treasury, the time for payment of such tax upon cotton may be extended, but in no case to exceed six months from date of the filing of the report. (May 17, 1935, ch. 131, title I, § 2, 49 Stat. 281.)

UNCONSTITUTIONAL

See note to section 619.

§ 620. Falsely ascribing deductions or charges to taxes; penalty.—(a) Whoever in connection with the purchase of, or offer to purchase, any commodity, subject to any tax under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, or which is to be subjected to any tax under said sections, makes any statement, written or oral, (1) intended or calculated to lead any person to believe that any amount deducted from the market price or the agreed price of the commodity consists of a tax imposed under said sections, or (2) ascribing a particular part of the deduction from the market price or the agreed price of the commodity, to a tax imposed under said sections, knowing that such statement is false or that the tax is not so great as the amount deducted from the market price or the agreed price of the commodity, ascribed to such tax, shall be guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not more than \$1,000 or by imprisonment for not exceeding six months, or both.

(b) Whoever in connection with the processing of any commodity subject to any tax under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, whether commercially, for toll, upon an exchange, or otherwise, makes any statement, written or oral, (1) intended or calculated to lead any person to believe that any part of the charge for said processing, whether commercially, for toll, upon an exchange, or otherwise, consists of a tax imposed under said sections, or (2) ascribing a particular part of the charge for processing, whether commercially, for toll, upon an exchange, or otherwise, to a tax imposed under said sections, knowing that such statement is false, or that the tax is not so great as the amount charged for said processing ascribed to such tax, shall be guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine of no more than \$1,000 or by imprisonment for not exceeding six months, or both.

(c) Whoever in connection with any settlement, under a contract to buy any commodity, and/or to sell such commodity, or any product or byproduct thereof, subject to any tax under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, makes any statement, written or oral, (1) intended or calculated to lead any person to believe that any amount deducted from the gross sales price, in arriving at the basis of settlement under the contract consists of a tax under said sections, or (2) ascribing a particular amount deducted from the gross sales price, in arriving at the basis of settlement under the contract, to a tax imposed under said sections, knowing that such statement is false, or that the tax is not so great as the amount so deducted and/or ascribed to such tax, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be punished by a fine of not more than \$1,000 or by imprisonment for not exceeding six months, or both. (May 12, 1933, ch. 25, title I, § 20, as added May 9, 1934, 11:23 a. m., ch. 263, § 16, 48 Stat. 677.)

§ 621. Machinery belting processed from cotton; exemption from tax.—The provisions of section 616 of this title, shall not apply to articles of machinery belting processed wholly or in chief value from cotton, if such processing was completed prior to January 1, 1930. (June 26, 1934, ch. 753, § 1, 48 Stat. 1223.)

§ 622. Same; refund of tax.—Any tax which has been assessed or paid under section 616 of this title on any such article prior to June 26, 1934, shall be credited or refunded to the taxpayer, or abated if remaining unpaid: *Provided*, That claim therefor must be filed within three months after June 26, 1934; *Provided further*, That no such credit, refund, or abatement shall be made with respect to any such article which was disposed of by the taxpayer prior to the filing of the claim therefor. (June 26, 1934, ch. 753, § 2, 48 Stat. 1223.)

§ 623. Actions relating to tax; legalization of prior taxes—(a) Action to restrain collection of tax or obtain declaratory judgment forbidden.—No suit, action, or proceeding (including probate, administration, receivership, and bankruptcy proceedings) shall be brought or maintained in any court if such suit, action, or proceeding is for the purpose or has the effect (1) of preventing or restraining the assessment or collection of any tax imposed or the amount of any penalty or interest accrued under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title on or after August 24, 1935, or (2) of obtaining a declaratory judgment under section 400 of Title 28 in connection with any such tax or such amount of any such interest or penalty. In probate, administration, receivership, bankruptcy, or other similar proceedings, the claim of the United States for any such tax or such amount of any such interest or penalty, in the amount assessed by the Commissioner of Internal Revenue, shall be allowed and ordered to be paid, but the right to claim the refund or credit thereof and to maintain such claim pursuant to the applicable provisions of law, including subsection (d) of this section, may be reserved in the court's order.

(b) Taxes imposed prior to August 24, 1935, legalized and ratified.—The taxes imposed under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, as determined, prescribed, proclaimed and made effective by the proclamations and certificates of the Secretary of Agriculture or of the President and by the regulations of the Secretary with the approval of the president prior to August 24, 1935, are hereby legalized and ratified, and the assessment, levy, collection, and accrual of all such taxes (together with penalties and interest with respect thereto) prior to said date are hereby legalized and ratified and confirmed as fully to all intents and purposes as if each such tax had been made effective and the rate thereof fixed specifically by prior Act of Congress. All such taxes which had accrued and remained unpaid August 24, 1935, shall be assessed and collected pursuant to section 619 of this title, and to the provisions of law made applicable thereby. Nothing in this section shall be construed to import illegality to any act, determination, proclamation, certificate, or regulation of the Secretary of Agriculture or of the President done or made prior to August 24, 1935.

(c) **Rental and benefit payments, agreements, and programs made prior to August 24, 1935, legalized and ratified.**—The making of rental and benefit payments under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, prior to August 24, 1935, as determined, prescribed, proclaimed and made effective by the proclamations of the Secretary of Agriculture or of the President or by regulations of the Secretary, and the initiation, if formally approved by the Secretary of Agriculture prior to such date of adjustment programs under section 608 (1) of this title, and the making of agreements with producers prior to such date, and the adoption of other voluntary methods prior to such date, by the Secretary of Agriculture under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, and rental and benefit payments made pursuant thereto, are hereby legalized and ratified, and the making of all such agreements and payments, the initiation of such programs, and the adoption of all such methods prior to such date are hereby legalized, ratified, and confirmed as fully to all intents and purposes as if each such agreement, program, method, and payment had been specifically authorized and made effective and the rate and amount thereof fixed specifically by prior Act of Congress. (May 12, 1933, ch. 25, title I, § 21, as added Aug. 24, 1935, ch. 641, § 30, 49 Stat. 770, and amended June 22, 1936, 9:00 p. m., ch. 690, §§ 601 (c), 901, 49 Stat. 1739, 1747.)

REPEAL

Subsections (d), relating to prohibition on making certain refunds, (e), providing for access to books, and (g), providing for recovery of taxes erroneously collected, of this section were repealed by act June 22, 1936, 9:00 p. m., ch. 690, § 901, 49 Stat. 1747.

Subsection (f) of this section, relating to time for filing claim for refund, was repealed by act June 22, 1936, 9:00 p.m., ch. 690, § 601 (c), 49 Stat. 1740.

UNCONSTITUTIONAL

Section may be obsolete in view of Supreme Court's holding in *United States v. Butler*, Mass. 1936, 56 S. Ct. 312, 297 U. S. 1, 80 L. Ed. 477, 102 A. L. R. 914, that the processing and floor stock taxes provided for by the Agricultural Adjustment Act of 1933 were unconstitutional.

§ 624. Limitation on imports; authority of President—(a) Whenever the President has reason to believe that any one or more articles are being or are practically certain to be imported into the United States under such conditions and in sufficient quantities as to render or tend to render ineffective or materially interfere with any program or operation undertaken, or to reduce substantially the amount of any product processed in the United States from any commodity subject to and with respect to which any program is in operation, under this chapter or sections 590a to 590q of Title 16, or section 612c of this title, he shall cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts. Such investigation shall be made after due notice and opportunity for hearing to interested parties and shall be conducted subject to such regulations as the President shall specify.

(b) If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the President finds the existence of such facts, he shall by proclamation impose such fees on, or such limitations on the total quantities of, any article or articles which may be entered, or withdrawn from warehouse, for consumption as he finds and declares shown by such investigation to be necessary to prescribe in order that the entry of such article or articles will not render or tend to render ineffective or materially interfere with any program or operation undertaken, or will not reduce substantially the amount of any product processed in the United States from any commodity subject to and with respect to which any program is in operation, under this chapter or sections 590a to 590q of Title 16: *Provided*, That no limitation shall be imposed on the total quantity of any article which may be imported from any country which reduces such permissible total quantity to less than 50 per centum of the average annual quantity of such article which was imported from such country during the period from January 1, 1929, to December 31, 1933, both dates inclusive.

(c) The fees and import restrictions proclaimed by the President under this section and any revocation, suspension, or modification thereof, shall become effective on such date as shall be specified in such proclamation, revocation, suspension, or modification, and such fees, which shall not be in excess of 50 per centum ad valorem, shall be treated for the purposes of all provisions of law relating to customs revenue as duties imposed by the Tariff Act of 1930.¹

(d) Any decision of the President as to facts under this section shall be final.

(e) After investigation, report, finding, and declaration in the manner provided in the case of a proclamation issued pursuant to subsection (b) of this section, any proclamation or provision of such proclamation may be suspended by the President whenever he finds that the circumstances requiring the proclamation or provision thereof no longer exist, or may be modified by the President whenever he finds that changed circumstances require such modification to carry out the purposes of this section. (May 12, 1933, ch. 25, title I, § 22, as added Aug. 24, 1935, ch. 641, § 31, 49 Stat. 773, and amended Feb. 29, 1936, ch. 104, § 5, 49 Stat. 1152; June 3, 1937, ch. 296, § 1, 50 Stat. 246; Jan. 25, 1940, ch. 13, 54 Stat. 17.)

VALIDITY OF SECTION AFFIRMED

Act June 3, 1937, ch. 296, § 1, 50 Stat. 246, cited to the text, affirmed and validated, and reenacted without change the provisions of this section. See note to section 601 of this title.

REFUNDS

APPROPRIATIONS FOR REFUNDS AND PAYMENTS OF PROCESSING AND RELATED TAXES AND LIMITATIONS THEREON

Acts June 25, 1938, ch. 681, 52 Stat. 1150; May 6, 1939, ch. 115, § 1, 53 Stat. 661, 662; Feb. 12, 1940, ch. 28, § 1, 54 Stat. 36; Mar. 25, 1940, ch. 71, title I, 54 Stat. 61; May 31, 1941, ch. 156, title I, § 1, 55 Stat. 218; act Mar. 10, 1942, ch. 178, title I, § 1, 56 Stat. 156; June 30, 1943, ch. 179, title I, 57 Stat. 257.

¹ See section 1001 et seq. of Title 19, Customs Duties.

§ 641. Refunds on exports, deliveries for charitable distribution or use, etc.—(a) The provisions of sections 610 (d), 615 (a), 615 (c), 616 (e) (1), 616 (e) (3), and 617 (a) of this title are hereby reenacted but only for the purpose of allowing refunds in accordance therewith in cases where the delivery for charitable distribution or use, or the exportation, or the manufacture of large cotton bags, or the decrease in the rate of the processing tax or its equivalent under section 616 (e) (3)), took place prior to January 6, 1936.

(b) Except for refunds under section 615 (a) of this title, as reenacted herein, no refund under this section shall be made to the processor or other person who paid or was liable for the tax with respect to the articles on which the claims is based. No refund under this section shall be allowable to any person with respect to any articles where such person prior to January 6, 1936, paid an amount as tax under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, by taking as a credit against such amount an amount otherwise allowable as a refund with respect to such articles under sections 615 (a), 615 (c), 616 (e) (1), 616 (e) (3), or 617 (a) of this title. No refund under this section shall be allowed to any person except to the extent that he establishes that he has not received, and is not entitled to receive, reimbursement of such amount from the processor or other vendor with respect to the articles on which the claim is based. No claim under this section except claims of processors under section 615 (a) of this title) shall be disallowed on the ground that the tax with respect to the article or the commodity from which processed has not been paid.

(c) No refund under this section shall be made unless the claimant files a claim therefor prior to January 1, 1937, under rules and regulations prescribed by the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury, and no claim shall be allowed in an amount less than \$10.

(d) In the absence of fraud, the findings of fact and the decision of the Commissioner of Internal Revenue upon the merits of any claim adjusted pursuant to this section and the mathematical calculation therein shall not be subject to review by any administrative or accounting officer, employee, or agent of the United States.

(e) The determination of the Commissioner of Internal Revenue with respect to any refund under this section shall be final and no court shall have jurisdiction to review such determination.

(f) No interest shall be allowed in connection with any refund made under this section. (June 22, 1936, 9:00 p. m., ch. 690, § 601, 49 Stat. 1739, 1740.)

CROSS REFERENCE

Appropriations for refunds, etc., see note preceding this section.

§ 642. Floor stocks as of January 6, 1936.—(a) There shall be paid to any person who, at the first moment of January 6, 1936, held for sale or other disposition (including manufacturing or further processing) any article processed wholly or in chief value from a commodity subject to processing tax, an amount computed

as provided in subsection (b), except that no such payment shall be made to the processor or other person who paid or was liable for the tax with respect to the articles on which the claim is based.

(b) The amount of the payment under subsection (a) shall be equal to the processing tax which would have been payable with respect to the commodity from which the article was processed, if it had been processed on January 5, 1936, but not in excess of (1) the amount of the burden of the tax with respect to the article which was shifted to the claimant in the price he paid for the article (to the extent that the claimant has not received and is not entitled to receive reimbursement for such burden from the processor or other vendor) and not in excess of (2) the amount of that part of the burden of the tax applicable to the articles held on January 6, 1936, which the claimant has not passed on to his vendees and has not included in the sale price of such articles. In lieu of a detailed schedule of articles, purchases, sale prices, and sales under clauses (1) and (2) of this subsection, the claimant may (subject to the approval of the Commissioner and such investigations as he may cause to be made) submit, as a part of his claim, an affidavit setting forth the total amount of tax burden passed on to him on the articles with respect to which he has received or is entitled to receive reimbursement from the processor or other vendor; the total amount of such burden that he has passed on to his vendees or has included in the sale prices of such articles; and the total amount of such burden that he has borne himself.

(c) As used in this section—

(1) The term "commodity subject to a processing tax" means a commodity upon the processing of which a tax was provided for under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, as of January 5, 1936.

(2) The term "tax with respect to the article" means any tax under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, with respect to the article (or with respect to any commodity or other article from which it was processed).

(3) The term "sale price" includes the price at which the claimant actually sold the article or articles prior to the date of the filing of his claim or, if the article or articles have not been sold, the price at which he is offering the same for sale on the date of the filing of his claim.

(d) No payment shall be made under this section unless the claimant files a claim therefor prior to January 1, 1940, in conformity with regulations prescribed by the Commissioner with the approval of the Secretary, nor unless he establishes to the satisfaction of the Commissioner the facts on which such claim is based.

(e) No claim under this section shall be disallowed on the ground that the tax with respect to the article or the commodity from which processed has not been paid, but no claim shall be allowed in an amount less than \$10. No payment shall be made under this section in connection with any article with respect to which a refund has been allowed or credit has been taken under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of

this title, or a refund has been allowed or is allowable under section 641 of this title.

(f) No payment shall be made under this section with respect to articles held in retail floor stocks except (1) flour, prepared flour, cereal preparations, and gluten, made chiefly from wheat, as classified in Wheat Regulations, Series 1, Supplement 1, promulgated under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title and the amendments thereto, (2) articles processed wholly or in chief value from cotton, and (3) direct-consumption sugar processed from sugar beets or sugarcane. No payment under this section shall be made with respect to articles processed from wheat, sugar beets, or sugarcane held in other than retail stocks except (1) our, prepared flour, cereal preparations, and gluten, made chiefly from wheat, as classified in Wheat Regulations, Series 1, Supplement 1, and (2) direct-consumption sugar.

(g) In the case of articles which were agreed to be sold under a contract entered into prior to January 6, 1936, whereby the vendee agreed to pay a price including the amount of the tax with respect to the articles, but which were not delivered prior to such date, the vendee shall be considered the holder of such articles.

(h) In the absence of fraud the findings of fact and the decision of the Commissioner upon the merits of any claim under this section, and the mathematical calculation therein shall not be subject to review by any other administrative or accounting officer, employee, or agent of the United States.

(i) The determination of the Commissioner with respect to any payment under this section shall be final and no court shall have jurisdiction to review such determination.

(j) No interest shall be allowed in connection with any payment made under this section. (June 22, 1936, 9:00 p. m., ch. 690, § 602, 49 Stat. 1740; Aug. 10, 1939, ch. 666, title IX, § 911, 53 Stat. 1402.)

CROSS REFERENCE

Appropriations for refunds, etc., see note preceding section 641 of this title.

§ 643. Proclamations, etc., made applicable.—The proclamations, certificates, and regulations prescribed by the Secretary of Agriculture under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, in effect on January 5, 1936, insofar as not inconsistent with sections 641-659 of this title, are hereby made applicable for the purpose of determining the amount of any refund or payment authorized under sections 641 and 642 of this title. (June 22, 1936, 9:00 p. m., ch. 690, § 603, 49 Stat. 1742.)

CROSS REFERENCE

Appropriations for refunds, etc., see note preceding section 641 of this title.

§ 644. Conditions on allowance of refunds.—No refund shall be made or allowed, in pursuance of court decisions or otherwise, of any amount paid by or collected from any claimant as tax under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623,

624 of this title, unless the claimant establishes to the satisfaction of the Commissioner in accordance with regulations prescribed by him, with the approval of the Secretary, or to the satisfaction of the trial court, or the Board of Tax Appeals (hereinafter referred to as the "Board") in cases provided for under section 648 of this title, as the case may be—

(a) That he bore the burden of such amount and has not been relieved thereof nor reimbursed therefor nor shifted such burden, directly or indirectly, (1) through inclusion of such amount by the claimant, or by any person directly or indirectly under his control, or having control over him, or subject to the same common control, in the price of any article with respect to which a tax was imposed under the provisions of sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, or in the price of any article processed from any commodity with respect to which a tax was imposed under said sections, or in any charge or fee for services or processing; (2) through reduction of the price paid for any such commodity; or (3) in any manner whatsoever; and that no understanding or agreement written or oral, exists whereby he may be relieved of the burden of such amount, be reimbursed therefor, or may shift the burden thereof; or

(b) That he has repaid unconditionally such amount to his vendee (1) who bore the burden thereof, (2) who has not been relieved thereof nor reimbursed therefor, nor shifted such burden, directly or indirectly, and (3) who is not entitled to receive any reimbursement therefor from any other source, or to be relieved of such burden in any manner whatsoever. (June 22, 1936, 9:00 p. m., ch. 690, § 902, 49 Stat. 1747; Oct. 21, 1942, ch. 619, title V, § 510 (e), 56 Stat. 968.)

CROSS REFERENCE

Appropriations for refunds, etc., see note preceding section 641 of this title.

§ 645. Filing of claims.—No refund shall be made or allowed of any amount paid by or collected from any person as tax under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title unless, after June 22, 1936, and prior to January 1, 1940, a claim for refund has been filed by such person in accordance with regulations prescribed by the Commissioner with the approval of the Secretary. All evidence relied upon in support of such claim shall be clearly set forth under oath. The Commissioner is authorized to prescribe by regulations, with the approval of the Secretary, the number of claims which may be filed by any person with respect to the total amount paid by or collected from such person as tax under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, and such regulations may require that claims for refund of processing taxes with respect to any commodity or group of commodities shall cover the entire period during which such person paid such processing taxes. (June 22, 1936, 9:00 p. m., ch. 690, § 903, 49 Stat. 1747; June 29, 1939, 10 p. m. E. S. T., ch. 247, title IV, § 405, 53 Stat. 884.)

CROSS REFERENCE

Appropriations for refunds, etc., see note preceding section 641 of this title.

§ 646. Statute of limitations.—Notwithstanding any other provision of law, no suit or proceeding, whether brought before or after June 22, 1936, shall be brought or maintained in any court for the recovery, recoupment, set-off, refund, or credit of, or counterclaim for, any amount paid by or collected from any person as tax (except processing tax, as defined herein) under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title (a) before the expiration of eighteen months from the date of filing a claim therefor under section 645 of this title, unless the Commissioner renders a decision thereon within that time, or (b) after the expiration of two years from the date of mailing by registered mail by the Commissioner to the claimant a notice of disallowance of that part of the claim to which such suit or proceeding relates. Any consideration or any action by the Commissioner with respect to such claim following the mailing of notice of disallowance shall not operate to extend the period within which any suit or proceeding may be brought. (June 22, 1936, 9:00 p. m., ch. 690, § 904, 49 Stat. 1747.)

CROSS REFERENCE

Appropriations for refunds, etc., see note preceding section 641 of this title.

§ 647. Jurisdiction of courts.—Concurrent with the Court of Claims, the District Courts of the United States (except as provided in section 648 of this title) shall have jurisdiction of cases to which sections 644-659 of this title apply, regardless of the amount in controversy, if such district courts would have had jurisdiction of such cases but for limitations under the Judicial Code, as amended, Title 28, Judicial Code and Judiciary, on jurisdiction of such courts based upon the amount in controversy. The United States Customs Court shall not have jurisdiction of any such cases. (June 22, 1936, 9:00 p. m., ch. 690, § 905, 49 Stat. 1748.)

CROSS REFERENCE

Appropriations for refunds, etc., see note preceding section 641 of this title.

§ 648. Procedure on claims for refunds of processing taxes.—(a) Notwithstanding any other provision of law, no suit or proceeding, whether brought before or after June 22, 1936, shall be brought or maintained in any court for the refund of any amount paid or collected as processing tax, as defined in section 655 of this title, under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, except as provided in this section. The Commissioner shall allow or disallow, in whole or in part, any claim for refund of any such amount within three years after such claim was filed, unless such time has been extended by written consent of the claimant.

(b) The Board shall have jurisdiction in proceedings under this section to review the allowance or disallowance of the Commissioner of a claim for refund, and to determine the amount of refund due any claimant with respect to such claim. The Commissioner shall make refund of any such amount determined by a decision of the Board which has become final.

(c) The allowance or disallowance of the Commissioner of a claim for refund under this section shall be final, unless within ninety days (not counting Sunday or a legal holiday in the District of Columbia as the ninetieth day) after the date of mailing by registered mail by the Commissioner of notice that a claim for refund of any such amount has been disallowed, in whole or in part, the claimant files a petition with the Board requesting a hearing on the merits of his claim, in whole or in part. Upon the filing of any such petition the claimant shall be entitled to a hearing as provided herein. Notice and opportunity to be heard shall be given to the claimant and the Commissioner. If the notice is addressed to a person outside the States of the Union and the District of Columbia, the period specified in this subsection shall be one hundred and fifty days in lieu of ninety days.

(d) Each such hearing shall be conducted by a division of the Board and shall be open to the public. The proceedings in such hearings shall be conducted in accordance with such rules of practice and procedure (other than rules of evidence) as the Board may prescribe, and in accordance with the rules of evidence applicable in courts of equity of the District of Columbia. The claimant and the Commissioner shall be entitled to be represented by counsel, to have witnesses subpoenaed, and to examine and cross-examine witnesses. The division shall have authority to administer oaths, examine witnesses, rule on questions of procedure and the admissibility of evidence, and to require by subpoena, signed by any member of the Board, the attendance and testimony of witnesses, and the production of all necessary returns, books, papers, records, correspondence, memoranda, and other evidence, from any place in the United States at any designated place of hearing, and to require the taking of a deposition by any designated individual competent to administer oaths. Any witness summoned or whose deposition is taken pursuant to this section shall receive the same fees and mileage as witnesses in the courts of the United States. Such fees and mileage and the expenses of taking any such deposition shall be paid as follows:

(1) Witnesses for Commissioner. In the case of witnesses for the Commissioner such payments shall be made by the Secretary out of any moneys appropriated for the collection of internal-revenue taxes, and may be made in advance.

(2) Other witnesses. In the case of any other witnesses, such payments shall be made, subject to rules prescribed by the Board, by the party at whose instance the witness appears or the deposition is taken.

(e) After the conclusion of the hearing a report and a decision thereon shall be made as quickly as practicable by the division conducting such hearing. The report of the division shall become the report of the Board within thirty days after such report by the division, unless within such period the chairman has directed that such report shall be reviewed by the Board. Any preliminary action by a division which does not form the basis for the entry of the final decision shall not be subject to review by the Board except in accordance with such rules as the Board may prescribe. The report of a division shall not be a part of the record in any

case in which the chairman directs that such report shall be reviewed by the Board. It shall be the duty of the Board and of each division to include in its report upon any proceeding its findings of fact or opinion or memorandum opinion. The Board shall report in writing all its findings of fact, opinions, and memorandum opinions. A decision of the Board (except a decision dismissing a proceeding for lack of jurisdiction) shall be held to be rendered upon the date that an order specifying the amount of the refund, or that so refund is due, is entered in the records of the Board. If the Board dismisses a proceeding for lack of jurisdiction, an order to that effect shall be entered in the records of the Board and the decision of the Board shall be held to have been rendered upon the date of such entry.

(f) The Board is authorized to fix a fee, not in excess of the fee fixed by law to be charged and collected therefor by the clerks of the district courts, for comparing, or for preparing and comparing, a transcript of the record, or for copying any record, entry, or other paper and the comparison and certification thereof.

(g) A decision of the Board rendered after January 1, 1943, may be reviewed by a circuit court of appeals or the United States Court of Appeals for the District of Columbia, if a petition for such review is filed by either the claimant or the Commissioner within three months after the decision is rendered. Such decision may be reviewed by the circuit court of appeals for the circuit in which the claimant resides, or has his principal place of business, or, if none, by the United States Court of Appeals for the District of Columbia: *Provided, however*, that in any event such decision may be reviewed by any circuit court of appeals or the United States Court of Appeals for the District of Columbia which may be designated by the Commissioner and the claimant by stipulation in writing. Such courts shall have exclusive jurisdiction to affirm the decision of the Board, or to modify or reverse such decision, if it is not in accordance with law, with or without demanding the cause for a rehearing as justice may require. The judgments of such courts shall be final, subject to review by the Supreme Court of the United States upon certification or certiorari as provided in sections 346 and 347 of Title 28 as amended. Such courts are authorized to adopt rules for the filing of petitions for review, preparation of the record for review, and the conduct of the proceedings on review. A decision of the Board rendered after January 1, 1943 shall become final in the same manner that decisions of the Board become final under section 1140 of the Internal Revenue Code. (June 22, 1936, 9:00 p. m., ch. 690, § 906, 49 Stat. 1748; Oct. 21, 1942, 4:30 p. m., E. W. T., ch. 619, title V, § 510 (b), (f) (1), (g-j), 56 Stat. 967.)

EFFECTIVE DATE

The amendments to this section by act Oct. 21, 1942, cited to text, were made effective Jan. 1, 1943, by section 510 (l) thereof.

TRANSFER OF FUNCTIONS

Section 510 (a), (c) and (d) of act Oct. 21, 1942, cited to text, provided as follows:

"(a) Effective as of the close of business on December 31, 1942, the Board of Review, established under section 906 (b) of the Revenue Act of 1936 (subsection (b) of this section), is hereby abolished and the jurisdiction vested in said Board of Review is hereby transferred to and vested in the Board of Tax Appeals.

"(c) All proceedings pending in the said Board of Review on December 31, 1942, shall be deemed pending in and be transferred forthwith to the Board of Tax Appeals, and shall be proceeded with and disposed of by the Board of Tax Appeals as if originally begun therein.

"(d) All journals, dockets, books, files, records, and property, including office equipment of the said Board of Review, shall be transferred to the Board of Tax Appeals."

FILING OF PETITION

Section 510 (f) (2) of act Oct. 21, 1942, cited to text, provided as follows: "(2) The amendment made by this subsection (to subsection (c) of this section), insofar as applicable to the date for filing the petition, shall not apply if the Commissioner has prior to January 1, 1943, mailed notice by registered mail that the claim for refund has been disallowed in whole or in part."

SAVING CLAUSE

Section 510 (k) of act Oct. 21, 1942, cited to text, provided as follows: "(k) Section 906 (g) of the Revenue Act of 1936 (subsection (g) of this section), as in effect prior to the date of enactment of the Revenue Act of 1942 (Oct. 21, 1942, 4:30 p.m., E. W. T.), shall remain in effect as to petitions to review decisions of the Board of Review rendered prior to January 1, 1943, but shall not, if any case involving any such petition is remanded for further proceedings in the Board of Tax Appeals, remain in effect with respect to any further proceedings in such case."

§ 649. Evidence and presumptions—(a) Tax burden, by whom borne.—Where the refund claimed is for an amount paid or collected as processing tax, as defined herein, it shall be prima-facie evidence that the burden of such amount was borne by the claimant to the extent (not to exceed the amount of the tax) that the average margin per unit of the commodity processed was lower during the tax period than the average margin was during the period before and after the tax. If the average margin during the tax period was not lower, it shall be prima-facie evidence that none of the burden of such amount was borne by the claimant but that it was shifted to others.

(b) Average margin for tax period; computation.—The average margin for the tax period and the average margin for the period before and after the tax shall each be determined as follows:

(1) Tax period.—The average margin for the tax period shall be the average of the margins for all months (or portions of months) within the tax period. The margin for each such month shall be computed as follows: From the gross sales value of all articles processed by the claimant from the commodity during such month, deduct the cost of the commodity processed during the month and deduct the processing tax paid with respect thereto. The sum so ascertained shall be divided by the total number of units of the commodity processed during such month, and the resulting figure shall be the margin for the month.

(2) Period before and after the tax.—The average margin for the period before and after the tax shall be the average of the margins for all months (or portions of months) within the period before and after the tax. The margin for each such month shall be computed as follows: From the gross sales value of all articles

processed by the claimant from the commodity during such month, deduct the cost of the commodity processed during the month. The sum so ascertained shall be divided by the number of units of the commodity processed during such month, and the resulting figure shall be the margin for the month.

(3) Ascertainment of average margin.—The average margin for each period shall be ascertained in the same manner as monthly margins under subdivisions (1) and (2), using total gross sales value, total cost of commodity processed, total processing tax paid, and total units of commodity processed, during such period.

(4) Combination of commodities.—Where, as, for example, in the case of certain types of tobacco, the articles produced and sold by the claimant are the product of several commodities combined by him during processing, the average margin shall be established with respect to such commodities as a group, and not individually, in accordance with rules and regulations prescribed by the Commissioner, with the approval of the Secretary of the Treasury.

(5) Cost of commodity.—The cost of commodity processed during each month shall be (a) the actual cost of the commodity processed if the accounting procedure of the claimant is based thereon, or (b) the product computed by multiplying the quantity of the commodity processed by the current prices at the time of processing for commodities of like quality and grade in the markets where the claimant customarily makes his purchases.

(6) Gross sales value of articles.—The gross sales value of articles shall mean (a) the total of the quantity of each article derived from the commodity processed by the claimant during each month multiplied by (b) the claimant's sale prices current at the time of processing for articles of similar grade and quality.

(7) Quantity of article.—The quantity of each article derived from the commodity processed may be either (a) the actual quantity obtained, as shown by the records of the claimant, or (b) an estimated quantity computed by multiplying the quantity of commodity processed by appropriate conversion factors giving the quantity of articles customarily obtained from the processing of each unit of the commodity.

(c) Tax period.—The "tax period" shall mean the period with respect to which the claimant actually paid the processing tax to a collector of internal revenue and shall end on the date with respect to which the last payment was made. The "period before and after the tax" shall mean the twenty-four months (except that in the case of tobacco it shall be the twelve months) immediately preceding the effective date of the processing tax, and the six months, February to July, 1936, inclusive. If during any part of such period the claimant was not in business, or if his records for any part of such period are so inadequate as not to provide satisfactory data on prices paid for commodities purchased or prices received for articles sold, the average prices paid or received by representative concerns engaged in a similar business and similarly circumstanced may with the approval of the Commissioner, where necessary for a fair comparison, be substituted

in making the necessary computations. If the claimant was not in business during the entire period before and after the tax, the average margin, during such period, of representative concerns engaged in a similar business and similarly circumstanced, as determined by the Commissioner, shall be used as his average margin for such period.

(d) Purchase or sale price, determination.—If the claimant made any purchase or sale otherwise than through an arm's-length transaction, and at a price other than the fair market price, the Commissioner may determine the purchase or sale price to be that for which such purchases or sales were at that time made in the ordinary course of trade.

(e) Rebuttal of presumption as to tax burden.—Either the claimant or the Commissioner may rebut the presumption established by subsection (a) of this section by proof of the actual extent to which the claimant shifted to others the burden of the processing tax. Such proof may include, but shall not be limited to—

(1) Proof that the difference or lack of difference between the average margin for the tax period and the average margin for the period before and after the tax was due to changes in factors other than the tax. Such factors shall include any clearly shown change (A) in the type or grade of article or commodity, or (B) in costs of production. If the claimant asserts that the burden of the tax was borne by him and the burden of any other increased costs was shifted to others, the Commissioner shall determine from the effective dates of the imposition or termination of the tax and the effective date of other changes in costs as compared with the date of the changes in margin (when margins are computed for weeks, months, or other intervals between July 1, 1931, and August, 1936, in the manner specified in subsection (b)), and from the general experience of the industry, whether the tax or the increase in other costs was shifted to others. If the Commissioner determines that the difference in average margin was due in part to the tax and in part to the increase in other costs, he shall apportion the change in margin between them;

(2) Proof that the claimant modified existing contracts of sale, or adopted a new form of contract of sale, to reflect the initiation, termination, or change in amount of the processing tax, or at any such time changed the sale price of the article (including the effect of a change in size, package, discount terms, or any other merchandising practice) by substantially the amount of the tax or change therein, or at any time billed the tax as a separate item to any vendee, or indicated by any writing that the sale price included the amount of the tax, or contracted to refund any part of the sale price in the event of recovery of the tax or decision of its invalidity; but the claimant may establish that such acts were caused by factors other than the processing tax, or that they do not represent his practice at other times. If the claimant processed any product in addition to the commodity with respect to the processing of which there was paid or collected an amount as tax for which he claims a refund, and if the Commissioner has reason to believe that the burden of such amount was shifted in whole or

in part by means of the transactions relating to such product, the average margin with respect to such product, and articles processed therefrom, shall also be considered, and shall be determined for the tax period applicable to the commodity and for the period before and after the tax in the manner prescribed in subsection (b) of this section. To the extent the Commissioner determines that the average margin with respect to such product was higher during the tax period than it was during the period before and after the tax, it shall be prima-facie evidence that such amount was not borne by the claimant but that it was shifted to others. (June 22, 1936, 9:00 p. m., ch. 690, § 907, 49 Stat. 1751.)

CROSS REFERENCE

Appropriations for refunds, etc., see note preceding section 641 of this title.

§ 650. Limitations on allowance of claims and interest.—(a) No claim shall be allowed under sections 644-659 of this title in an amount less than \$10.

(b) No interest shall be allowed by the Commissioner or by any court with respect to any amount paid or collected as tax under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, except with respect to amounts, refund of which is made or allowed under sections 644-659 of this title. (June 22, 1932, 9:00 p. m., ch. 690, § 908, 49 Stat. 1753.)

CROSS REFERENCE

Appropriations for refunds, etc., see note preceding section 641 of this title.

§ 651. Limitations on review.—In the absence of fraud or mistake in mathematical calculation, the findings of fact and conclusions of law of the Commissioner upon the merits of any claim presented under sections 644-659 of this title shall not be subject to review by any other administrative or accounting officer, employee, or agent of the United States. (June 22, 1936, 9:00 p. m., ch. 690, § 909, 49 Stat. 1753.)

CROSS REFERENCE

Appropriations for refunds, etc., see note preceding section 641 of this title.

§ 652. Liability of collectors.—No collector of internal revenue or customs, or internal revenue or customs officer or employee, shall be in any way liable to any person for any act done by him in the assessment or collection of any amount as tax under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, or for the recovery of any money exacted by or paid to him and paid into the Treasury, in performance of his official duties under the provisions of such sections, or if such collector or officer acted under the direction of the Secretary or other proper officer of the Government. (June 22, 1936, 9:00 p. m., ch. 690, § 910, 49 Stat. 1753.)

CROSS REFERENCE

Appropriations for refunds, etc., see note preceding section 641 of this title.

§ 653. Inapplicability to certain refunds.—The provisions of sections 644-659 of this title shall not apply to any refund authorized under the provisions of sections 615, 616, or 617 of this title, or with respect to any articles exported under the provisions of section 1317 of Title 19. No refund shall be made or allowed of any amount paid or collected as tax under sections 601-608, 608a-608b, 608c-612, 613-619, 620, 623, 624 of this title, to the extent that refund or credit with respect to such amount has been made to any person. (June 22, 1936, 9:00 p. m., ch. 690, § 911, 49 Stat. 1753.)

CROSS REFERENCE

Appropriations for refunds, etc., see note preceding section 641 of this title.

§ 654. Period not extended.—Any suit or proceeding with respect to any amount paid or collected as tax under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title which is barred on June 22, 1936, shall remain barred. No claim with respect to any such amount which is barred from allowance on June 22, 1936, shall hereafter be allowed in any amount. (June 22, 1936, 9:00 p. m., ch. 690, § 912, 49 Stat. 1754.)

CROSS REFERENCE

Appropriations for refunds, etc., see note preceding section 641 of this title.

§ 655. Definitions.—When used in section 644-659 of this title—

(a) The term “tax” means a tax or exaction denominated a “tax” under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, and shall include any penalty, addition to tax, additional tax, or interest applicable to such tax.

(b) The term “processing tax” means any tax or exaction denominated a “processing tax” under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, but shall not include any amount paid or collected as tax with respect to the processing of a commodity for a customer for a charge or fee.

(c) The term “commodity” means any commodity, prior to processing, of a type with respect to the processing of which a processing tax was imposed under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title.

(d) The term “article” means the product which is obtained by processing a commodity, and includes the product obtained by further manufacture or by combination with other materials.

(e) The term “refund” includes any recovery, recoupment, set-off, credit, or counterclaim.

(f) The term “Agricultural Adjustment Act” means the Agricultural Adjustment Act as originally enacted and the amendments thereto adopted prior to January 6, 1936. (June 22, 1936, 9:00 p. m., ch. 690, § 913, 49 Stat. 1754.)

CROSS REFERENCE

Appropriations for refunds, etc., see note preceding section 641 of this title.

§ 656. Authority of Commissioner.—In connection with the establishment of the facts required to be established under sec-

tions 644-659 of this title, the Commissioner of Internal Revenue is hereby authorized, by any officer or employee of the Treasury Department and of the Bureau of Internal Revenue, including the field service, designated by him for that purpose, to examine any books, papers, records, or memoranda which are relevant and material in connection with any claim made pursuant to sections 644-659 of this title, to require the attendance of the claimant or of any officer or employee of the claimant, or the attendance of any other person having knowledge in the premises, and to take, or cause to be taken, his testimony with reference to any such matter, with power to administer oaths to such person or persons. It shall be lawful for the Commissioner, or any person designated by him, to summon witnesses to appear before the Commissioner, or before any person designated by him, at a time and place named in the summons, and to produce such books, papers, correspondence, memoranda, or other records as the Commissioner may deem relevant or material, and to give testimony or answer interrogatories, under oath, relating to any claim made pursuant to sections 644-659 of this title. The provisions of section 3615 (d) and (e) of Title 26 shall be applicable with respect to any summons issued pursuant to the provisions of sections 644-659 of this title. Any witness summoned under sections 644-659 of this title shall be paid the same fees and mileage as are paid witnesses in the courts of the United States. All information obtained by the Commissioner pursuant to this section shall be available to the Secretary of Agriculture upon written request therefor. Such information shall be kept confidential by all officers and employees of the Department of Agriculture, and any such officer or employee who violates this requirement shall, upon conviction, be subject to a fine of not more than \$1,000 or to imprisonment for not more than one year, or both, and shall be removed from office. (June 22, 1936, 9:00 p. m., ch. 690, § 914, 49 Stat. 1754.)

CROSS REFERENCE

Appropriations for refunds, etc., see note preceding section 641 of this title.

§ 658. Rules and regulations.—The Commissioner shall, with the approval of the Secretary, prescribe such rules and regulations as may be deemed necessary to carry out the provisions of sections 644-659 of this title. (June 22, 1936, 9:00 p. m., ch. 690, § 916, 49 Stat. 1755.)

CROSS REFERENCE

Appropriations for refunds, etc., see note preceding section 641 of this title.

§ 659. Personnel.—(a) The Secretary of the Treasury may appoint such officers, attorneys, economists, and other experts without regard to section 661-663, 664, 673, 674 of Title 5, and without regard to the civil-service laws or regulations, as are necessary to execute the functions vested in him and the Commissioner of Internal Revenue by sections 644-659 of this title. No compensation at a rate in excess of \$8,500 per annum shall be paid to any such appointee.

(b) Officers and employees of the other executive departments and establishments of the Government may at the request of the Secretary of the Treasury, and with the approval of the head of any such department or establishment, be detailed to the Treasury Department from time to time for such temporary duties as may be necessary in carrying out the provisions of sections 644-659 of this title. The proper appropriation of such executive department or establishment from which such officers or employees are so detailed shall be reimbursed by the Treasury Department to the extent of salaries and other compensation paid to such officers and employees during the time they shall be so detailed. (June 22, 1936, 9:00 p. m., ch. 690, § 917, 49 Stat. 1755.)

CROSS REFERENCE

Appropriations for refunds, etc., see note preceding section 641 of this title.

Chapter 26A.—AGRICULTURAL MARKETING AGREEMENT ACT

§ 671. Arbitration of disputes concerning milk—(a) **Application.**—The Secretary of Agriculture, or such officer or employee of the Department of Agriculture as may be designated by him, upon written application of any cooperative association, incorporated or otherwise, which is in good faith owned or controlled by producers or organizations thereof, of milk or its products, and which is bona fide engaged in collective processing or preparing for market or handling or marketing (in the current of interstate or foreign commerce, as defined by section 610 (j) of this title), milk or its products, may mediate and, with the consent of all parties, shall arbitrate if the Secretary has reason to believe that the declared policy of sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title would be effectuated thereby, bona fide disputes, between such associations and the purchasers or handlers or processors or distributors of milk or its products, as to terms and conditions of the sale of milk or its products. The power to arbitrate under this section shall apply only to such subjects of the term or condition in dispute as could be regulated under the provisions of sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title relating to orders for milk and its products.

(b) **Conduct of meetings.**—Meetings held pursuant to this section shall be conducted subject to such rules and regulations as the Secretary may prescribe.

(c) **Approval of award.**—No award or agreement resulting from any such arbitration or mediation shall be effective unless and until approved by the Secretary of Agriculture, or such officer or employee of the Department of Agriculture as may be designated by him, and shall not be approved if it permits any unlawful trade practice or any unfair method of competition.

(d) **Exemption from antitrust laws.**—No meeting so held and no award or agreement so approved shall be deemed to be in violation of any of the antitrust laws of the United States. (June 3, 1937, ch. 296, § 3, 50 Stat. 248.)

§ 672. Agreements; licenses, regulations, etc., unaffected.—Nothing in this chapter shall be construed as invalidating any marketing agreement, license, or order, or any regulation relating to, or any provision of, or any act of the Secretary of Agriculture in connection with, any such agreement, license, or order which has been executed, issued, approved, or done under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, but such marketing agreements, licenses, orders, regulations, provisions, and acts are hereby expressly ratified, legalized, and confirmed. (June 3, 1937, ch. 296, § 4, 50 Stat. 249.)

§ 673. Taxes under Agricultural Adjustment Act; laws unaffected.—No processing taxes or compensating taxes shall be levied or collected under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title. Except as provided in the preceding sentence, nothing in this chapter shall be construed as affecting provisions of sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, other than those enumerated in section 1 of Act of June 3, 1937, ch. 296, 50 Stat. 246. The provisions so enumerated shall apply in accordance with their terms (as amended by this chapter) to the provisions of sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, this chapter, and other provisions of law to which they have been heretofore made applicable. (June 3, 1937, ch. 296, § 5, 50 Stat. 249.)

REFERENCES IN TEXT

Section 1 of act June 3, 1937, mentioned in text, amended or affected sections 601, 602, 608a-608c, 608d, 608e, 610, 612, 614, and 624 of this title.

§ 674. Short title.—This chapter may be cited as the Agricultural Marketing Agreement Act of 1937. (June 3, 1937, ch. 296, § 6, 50 Stat. 249.)

REFERENCES IN TEXT

The word "chapter" in this section appeared in the original as "Act." Sections 1 and 2 of the act, June 3, 1937, ch. 296, amended provisions of the Agricultural Adjustment Act. See note to section 601 of this title.

Chapter 27.—COTTON MARKETING

§§ 701-723. Repealed. Feb. 10, 1936, ch. 42, 49 Stat. 1106.

Sections 701-723 were derived from acts Apr. 21, 1934, ch. 157, §§ 1-23, 48 Stat. 598-606; Aug. 9, 1935, ch. 504, 49 Stat. 570; Aug. 24, 1935, ch. 641, §§ 39 (a-e), 40-42, 49 Stat. 777-778.

Act Mar. 2, 1936, ch. 112, 49 Stat. 1155, amending act Feb. 10, 1936, ch. 42, 49 Stat. 1106, which repealed sections 722, 723, provided as follows: "No tax, civil penalty, or interest which accrued under any provision of law repealed by this Act and which is uncollected on the date of the enactment of this Act shall be collected; and all liens for taxes, civil penalties, or interest arising out of taxes under such provisions of law are cancelled and released."

APPROPRIATIONS FOR REFUNDS AND PAYMENTS OF PROCESSING AND RELATED TAXES AND LIMITATIONS THEREON

Act June 25, 1938, ch. 681, 52 Stat. 1150; act May 6, 1939, ch. 115, § 1, 53 Stat. 661, 662; act Feb. 12, 1940, ch. 28, § 1, 54 Stat. 36; Mar. 25, 1940, ch. 71, title I, 54 Stat. 61; act May 31, 1941, ch. 156, title I, § 1, 55 Stat. 218; act Mar. 10, 1942, ch. 178, title I, § 1, 56 Stat. 156; June 30, 1943, ch. 179, title I, 57 Stat. 257.

§ 724. Development of new uses for cotton.—The Secretary of Agriculture is authorized to develop new and extended uses for cotton, and for such purpose there is authorized to be made available to the Secretary not to exceed \$500,000 out of the funds available to him under section 612 of this title. (Apr. 21, 1934, ch. 157, § 24, 48 Stat. 607.)

§ 725. Repealed. Feb. 10, 1936, ch. 42, 49 Stat. 1106.

Section was derived from act Apr. 21, 1934, ch. 157, § 25, as added by act June 20, 1934, ch. 687, 48 Stat. 1184.

Act Mar. 2, 1936, ch. 112, 49 Stat. 1155, amending act Feb. 10, 1936, ch. 42, 49 Stat. 1106, which repealed this section provided as follows: "No tax, civil penalty, or interest which accrued under any provision of law repealed by this act and which is uncollected on the date of the enactment of this act shall be collected; and all liens for taxes, civil penalties, or interest arising out of taxes under such provisions of law are cancelled and released."

§ 726. Administration of oaths for tax exemption certificates.

Section, act June 6, 1934, ch. 409, 48 Stat. 911, was rendered inoperative by repeal of sections 721-723 and 725 of this title by act Feb. 10, 1936, ch. 42, 49 Stat. 1106.

Chapter 28.—TOBACCO INDUSTRY

§§ 751-766. Repealed. Feb. 10, 1936, ch. 42, 49 Stat. 1106.

Sections 751-766 were derived from act June 28, 1934, ch. 866, §§ 1-16, 48 Stat. 1275-1280, as amended by act Aug. 24, 1935, ch. 641, §§ 44-54, 49 Stat. 778-780. Act Mar. 2, 1936, ch. 112, 49 Stat. 1155, amending act Feb. 10, 1936, ch. 42, 49 Stat. 1106, provided further as follows: "No tax, civil penalty, or interest which accrued under any provision of law repealed by this Act and which is uncollected on the date of the enactment of this Act shall be collected; and all liens for taxes, civil penalties, or interest arising out of taxes under such provisions of law are canceled and released."

APPROPRIATIONS FOR REFUNDS AND PAYMENTS OF PROCESSING AND RELATED TAXES AND LIMITATIONS THEREON

Act June 25, 1938, ch. 681, 52 Stat. 1150; act May 6, 1939, ch. 115, § 1, 53 Stat. 661, 662; act Feb. 12, 1940, ch. 28, § 1, 54 Stat. 36; Mar. 25, 1940, ch. 71, title I, 54 Stat. 61; act May 31, 1941, ch. 156, title I, § 1, 55 Stat. 218; act Mar. 10, 1942, ch. 178, title I, § 1, 56 Stat. 156; June 30, 1943, ch. 179, title I, 57 Stat. 257.

Chapter 29.—POTATO ACT OF 1935

§§ 801-833. Repealed. Feb. 10, 1936, ch. 42, 49 Stat. 1106.

Sections 801-803 were derived from act August 24, 1935, ch. 641, §§ 201-233, 49 Stat. 782-793. Act March 2, 1936, ch. 112, 49 Stat. 1155, amending act February 10, 1936, ch. 42, 49 Stat. 1106, provided further as follows: "no tax, civil penalty, or interest which accrued under any provision of law repealed by this Act and which is uncollected on the date of the enactment of this Act shall be collected; and all liens for taxes, civil penalties, or interest arising out of taxes under such provisions of law are cancelled and released."

APPROPRIATIONS FOR REFUNDS AND PAYMENTS OF PROCESSING AND RELATED TAXES AND LIMITATIONS THEREON

Act June 25, 1938, ch. 681, 52 Stat. 1150; act May 6, 1939, ch. 115, § 1, 53 Stat. 661, 662; act Feb. 12, 1940, ch. 28, § 1, 54 Stat. 36; Mar. 25, 1940, ch. 71, title I, 54 Stat. 61; act May 31, 1941, ch. 156, title I, § 1, 55 Stat. 218; act Mar. 10, 1942, ch. 178, title I, § 1, 56 Stat. 156; act June 30, 1943, ch. 179, title I, 57 Stat. 257.

Chapter 30.—ANTI-HOG-CHOLERA SERUM AND HOG-CHOLERA VIRUS

§ 851. Declaration of policy.—It is hereby declared to be the policy of Congress to insure the maintenance of an adequate supply of anti-hog-cholera serum and hog-cholera virus by regulating the marketing of such serum and virus in interstate and foreign commerce, and to prevent undue and excessive fluctuations and unfair methods of competition and unfair trade practices in such marketing. (Aug. 24, 1935, ch. 641, § 56, 49 Stat. 781.)

§ 852. Marketing agreements with handlers; exemption from antitrust laws.—In order to effectuate the policy declared in section 851 of this title the Secretary of Agriculture shall have the power, after due notice and opportunity for hearing, to enter into marketing agreements with manufacturers and others engaged in the handling of anti-hog-cholera serum and hog-cholera virus only with respect to such handling as is in the current of interstate or foreign commerce or which directly burdens, obstructs, or affects interstate or foreign commerce in such serum and virus. Such persons are in section 854 of this title referred to as “handlers.” The making of any such agreement shall not be held to be in violation of any of the antitrust laws of the United States, and any such agreement shall be deemed to be lawful. (Aug. 24, 1935, ch. 641, § 57, 49 Stat. 781.)

§ 853. Terms and conditions of marketing agreements.—Marketing agreements entered into pursuant to section 852 of this title shall contain such one or more of the following terms and conditions and no others as the Secretary finds, upon the basis of the hearing provided for in section 852 of this title, will tend to effectuate the policy declared in section 851 of this title:

(a) One or more of the terms and conditions specified in subsection (7) of section 608c of this title.

(b) Terms and conditions requiring each manufacturer to have available on May 1 of each year a supply of completed serum equivalent to not less than 40 per centum of his previous year's sales. Aug. 24, 1935, ch. 641, § 58, 49 Stat. 781.)

§ 854. Order regulating handlers; issuance and terms.—Whenever all the handlers of not less than 75 per centum of the volume of anti-hog-cholera serum and hog-cholera virus which is handled in the current of interstate or foreign commerce, or so as directly to burden, obstruct, or affect interstate or foreign commerce, have signed a marketing agreement entered into with the Secretary of Agriculture pursuant to section 652 of this title, the Secretary of Agriculture shall issue an order which shall regulate only such handling in the same manner as, and contain only such terms and conditions as are contained in such marketing agreement, and shall from time to time amend such order in conformance with amendments to such marketing agreement. Such order shall terminate upon termination of such marketing agreement as provided in such marketing agreement. (Aug. 24, 1935, ch. 641, § 59, 49 Stat. 781.)

§ 855. Applicability of other laws.—Subject to the policy declared in section 851 of this title, the provisions of subsections (6), (7), (8), and (9) of section 608a and of subsections (14)

and (15) of section 608c of this title are made applicable in connection with orders issued pursuant to section 854 of this title, and the provisions of section 608d of this title are hereby made applicable in connection with marketing agreements entered into pursuant to section 852 of this title and orders issued pursuant to section 854 of this title. The provisions of subsections (a), (b), (2), (c), (f), (h), and (i) of section 610 of this title, as amended, are hereby made applicable in connection with the administration of sections 851-855 of this title. (Aug. 24, 1935, ch. 641, § 60, 49 Stat. 782.)

FEDERAL RULES OF CIVIL PROCEDURE

Process, see Rule 4, following section 723c of Title 28, Judicial Code and Judiciary.

Chapter 31.—RURAL ELECTRIFICATION

§ 901. Rural Electrification Administration; Administrator; short title of law.—There is hereby created and established in the Department of Agriculture an agency of the United States to be known as the "Rural Electrification Administration", all of the powers of which shall be exercised by an Administrator, under the general direction and supervision of the Secretary of Agriculture, who shall be appointed by the President by and with the advice and consent of the Senate, for a term of ten years, and who shall receive a salary of \$10,000 per year. This chapter may be cited as the "Rural Electrification Act of 1936." (May 20, 1936, ch. 432, § 1, 49 Stat. 1363; Reorg. Plan No. II, § 5, eff. July 1, 1939, 4 Fed. Reg. 2732, 53 Stat. 1434.)

TRANSFER OF FUNCTIONS

Rural Electrification Administration and its functions and activities were transferred to Department of Agriculture, to be administered therein by Administrator under general direction and supervision of Secretary of Agriculture, by Reorganization Plan No. II, § 5, effective July 1, 1939, set out in note under section 133t of Title 5, Executive Departments and Government Officers and Employees. See also sections 401-404 of said plan for provisions relating to transfer of functions, records, property, personnel, and funds.

§ 902. Loans by Administrator; investigations and reports.—The Administrator is authorized and empowered to make loans in the several States and Territories of the United States for rural electrification and the furnishing of electric energy to persons in rural areas who are not receiving central station service, as hereinafter provided; to make, or cause to be made, studies, investigations, and reports concerning the condition and progress of the electrification of rural areas in the several States and Territories; and to publish and disseminate information with respect thereto. (May 20, 1936, ch. 432, § 2, 49 Stat. 1363.)

§ 903. Funds of Administrator—(a) Loans by Reconstruction Finance Corporation to Administrator.—The Reconstruction Finance Corporation is hereby authorized and directed to make loans to the Administrator, upon the request and approval of the Secretary of Agriculture, in such amounts in the aggregate for each year commencing with the fiscal year ending June 30, 1945, as the Congress may from time to time determine to be necessary

with interest at a rate of $1\frac{3}{4}$ per centum per annum upon the security of the obligations of borrowers from the Administrator appointed pursuant to the provisions of this chapter or from the Administrator of the Rural Electrification Administration established by Executive Order Numbered 7037. Interest rates on the unpaid balance of any loans made by the Reconstruction Finance Corporation to the Administrator prior to September 21, 1944 shall be adjusted to a rate of $1\frac{3}{4}$ per centum per annum: *Provided*, That no such loan shall be in an amount exceeding 85 per centum of the principal amount outstanding of the obligations constituting the security therefor: *And provided further*, That such obligations incurred for the purpose of financing the construction and operation of generating plants, electric transmission and distribution lines, or systems shall be fully amortized over a period not to exceed thirty-five years, and that the maturity of such obligations incurred for the purpose of financing the wiring of premises and the acquisition and installation of electrical and plumbing appliances and equipment shall not exceed two-thirds of the assured life thereof and not more than five years. The Administrator is hereby authorized to make all such endorsements, to execute all such instruments, and to do all such acts and things as shall be necessary to effect the valid transfer and assignment to the Reconstruction Finance Corporation of all such obligations. The amount of the notes, bonds, debentures, and other such obligations which the Reconstruction Finance Corporation is authorized and empowered to issue and to have outstanding at any one time under existing law is hereby increased by an amount sufficient to carry out the provisions hereof.

(b) Appropriations.—There are hereby authorized to be appropriated such sums as the Congress may from time to time determine to be necessary for the purposes of this chapter as hereinafter provided.

(c) Allotment of funds for loans in States.—Fifty per centum of the annual sums herein made available or appropriated for the purposes of this chapter shall be allotted yearly by the Administrator for loans in the several States in the proportion which the number of their farms not then receiving central station electric service bears to the total number of farms of the United States not then receiving such service. The Administrator, shall within ninety days after the beginning of each fiscal year, determine for each State and for the United States the number of farms not then receiving such service.

(d) Loans of unallotted funds.—The remaining 50 per centum of such annual sums shall be available for loans in the several States and in the Territories, without allotment as hereinabove provided, in such amounts for each State and Territory as, in the opinion of the Administrator, may be effectively employed for the purposes of this chapter, and to carry out the provisions of section 907 of this title: *Provided, however*, That not more than 10 per centum of said unallotted annual sums may be employed in any one State, or in all of the Territories.

(e) Unexpended funds; limitation on loans by Reconstruction Finance Corporation.—If any part of the annual sums made avail-

able for the purposes of this chapter shall not be loaned or obligated during the fiscal year for which such sums are made available, such unexpended or unobligated sums shall be available for loans by the administrator in the following year or years without allotment: *Provided, however,* That not more than 10 per centum of said sums may be employed in any one State or in all of the Territories.

(f) **Disposition of payments on loans.**—All moneys representing payments of principal and interest on loans made by the Administrator under this chapter shall be covered into the Treasury as miscellaneous receipts, except that any such moneys representing payments of principal and interest on obligations constituting the security for loans made by the Reconstruction Finance Corporation to the Administrator shall be paid to the Reconstruction Finance Corporation in payment of such loans. ((May 20, 1936, ch. 432, § 3, 49 Stat. 1364; June 21, 1938, ch. 554, title IV, § 401, 52 Stat. 818; Sept. 21, 1944, ch. 412, title V, §§ 501, 503, 504, 58 Stat. 739, 740.)

HISTORICAL NOTE

The Rural Electrification Administration was established on May 11, 1935 by Executive Order Numbered 7037. Following enactment of the Rural Electrification Act of 1936, Act May 20, 1936, cited to text, the functions, property and personnel of the old agency were transferred to the new agency by Executive Order Numbered 7458, Sept. 29, 1936, 1 Fed. Reg. 1477.

RESTRICTIONS ON BORROWER

Act June 21, 1938, cited to text, in addition to amending subsections (a) and (e), provided in part as follows: "In making loans pursuant to this title and pursuant to the Rural Electrification Act of 1936, the Administrator of the Rural Electrification Administration shall require that, to the extent practicable and the cost of which is not unreasonable, the borrower agree to use in connection with the expenditure of such funds only such unmanufactured articles, materials, and supplies, as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States."

AMENDMENTS

1944—Subsec. (a) amended by act Sept. 21, 1944, cited to text, which struck out words "The Reconstruction Finance Corporation * * * at 3 per centum per annum" and inserted in lieu thereof "The Reconstruction Finance Corporation * * * of 1¾ per centum per annum", changed colon to period following "Numbered 7037", inserted "Interest rates on * * * 1¾ per centum per annum:", added sentence "The amount of the notes * * * out the provisions hereof.", and substituted "thirty-five years" for "twenty-five years" in second proviso.

Subsec. (b) amended by act Sept. 21, 1944, cited to text, which struck out entire subsec. limiting amount of appropriation and renewal of appropriations to eight years after June 30, 1938, and inserted in lieu thereof new subsec.

Subsec. (e) amended by act Sept. 21, 1944, cited to text, which struck out "and provided further, * * * after June 30, 1939.", and changed colon to period following "Territories".

CODIFICATION

This section was originally amended by the Work Relief and Public Works Appropriation Act of 1938, Act June 21, 1938, cited to text. These amendments were abrogated when the section was further amended by the Department of Agriculture Organic Act of 1944, Act Sept. 21, 1944, cited to text.

§ 904. Loans by Administrator for electrical plants and transmission lines; preferences; consent of State authorities.—The Administrator is authorized and empowered, from the sums hereinbefore authorized, to make loans to persons, corporations, States, Territories, and subdivisions and agencies thereof, municipalities, peoples' utility districts and cooperative, non-profit, or limited-dividend associations, organized under the laws of any State or Territory of the United States, for the purpose of financing the construction and operation of generating plants, electric transmission and distribution lines or systems for the furnishing of electric energy to persons in rural areas who are not receiving central station service, and loans, from funds available under the provisions of section 903 (d) and 903 (e) of this title but without regard to the 10 per centum limitation therein contained, to cooperative associations for the purpose of enabling said cooperative associations to discharge or refinance long-term debts owed by them to the Tennessee Valley Authority on account of loans made or credit extended under the terms of sections 831-831dd of Title 16: *Provided*, That the Administrator, in making such loans, shall give preference to States, Territories, and subdivisions and agencies thereof, municipalities, peoples' utility districts, and cooperative, nonprofit, or limited-dividend associations, the projects of which comply with the requirements of this chapter. Such loans shall be on such terms and conditions relating to the expenditure of the moneys loaned and the security therefor as the Administrator shall determine and may be made payable in whole or in part out of the income: *Provided further*, That all such loans shall be self-liquidating within a period of not to exceed thirty-five years, and shall bear interest at the rate of 2 per centum per annum; interest rates on the unmatured and unpaid balance of any loans made pursuant to this section prior to December 23, 1944, shall be adjusted to 2 per centum per annum, and the maturity date of any such loans may be readjusted to occur at a date not beyond thirty-five years from the date of such loan: *And provided further*, That no loan for the construction, operation, or enlargement of any generating plant shall be made unless the consent of the State authority having jurisdiction in the premises is first obtained. Loans under this section and section 905 of this title shall not be made unless the Administrator finds and certifies that in his judgment the security therefor is reasonably adequate and such loans will be repaid within the time agreed. (May 23, 1936, ch. 432, § 4, 49 Stat. 1365; Sept. 21, 1944, ch. 412, title V, §§ 502 (a), 503, 58 Stat. 739; Dec. 23, 1944, ch. 725, 58 Stat. 925.)

AMENDMENTS

1944—Act Dec. 23, 1944, cited to text, amended section by adding "and loans, from funds * * * of sections 831-831dd of Title 16" preceding first proviso.

Act Sept. 21, 1944, cited to text, amended section by substituting "thirty-five years" for "twenty-five years", striking out "at a rate equal * * * such obligations were issued" and inserting in lieu thereof "at a rate of 2 * * * date of such loan" both in second proviso.

CODIFICATION

This section was amended by the Department of Agriculture Organic Act, Sept. 21, 1944, and by Act Dec. 22, 1944, both cited to text.

§ 905. Loans for electrical and plumbing equipment; persons eligible for loans.—The Administrator is authorized and empowered, from the sums hereinbefore authorized, to make loans for the purpose of financing the wiring of the premises of persons in rural areas and the acquisition and installation of electrical and plumbing appliances and equipment. Such loans may be made to any of the borrowers of funds loaned under the provisions of section 904 of this title, or to any person, firm, or corporation supplying or installing the said wiring, appliances, or equipment. Such loans shall be for such terms, subject to such conditions, and so secured as reasonably to assure repayment thereof, and shall be at a rate of interest of 2 per centum per annum; interest rates on the unmatured and unpaid balance of any loans made pursuant and unpaid balance of any loans made pursuant to this section prior to September 21, 1944, shall be adjusted to 2 per centum per annum. (May 20, 1936, ch. 432, § 5, 49 Stat. 1365; Sept. 21, 1944, ch. 412, title V, § 502 (b), 58 Stat. 739.)

AMENDMENT

1944—Act Sept. 21, 1944, cited to text, amended section by striking out “at a rate of interest * * * such obligations were issued.”, and inserted in lieu thereof “at a rate of interest * * * 2 per centum per annum.”

CODIFICATION

This section was amended by the Department of Agriculture Organic Act of 1944, Act Sept. 21, 1944, cited to text.

§ 906. Appropriations authorized.—For the purpose of administering this chapter and for the purpose of making the studies, investigations, publications, and reports herein provided for, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as shall be necessary. (May 20, 1936, ch. 432, § 6, 49 Stat. 1365.)

§ 907. Acquisition of property pledged for loans; disposition; sale of pledged property by borrower.—The Administrator is authorized and empowered to bid for and purchase at any foreclosure or other sale, or otherwise, to acquire, property pledged or mortgaged to secure any loans made pursuant to this chapter; to pay the purchase price and any costs and expenses incurred in connection therewith from the sums authorized in section 903 of this title; to accept title to any property so purchased or acquired in the name of the United States of America; to operate or lease such property for such period as may be deemed necessary or advisable to protect the investment therein, but not to exceed five years after the acquisition thereof; and to sell such property so purchased or acquired, upon such terms and for such consideration as the Administrator shall determine to be reasonable.

No borrower of funds under section 904 of this title shall, without the approval of the Administrator, sell or dispose of its property, rights, or franchises, acquired under the provisions of this chapter, until any loan obtained from the Rural Electrification Administration, including all interest and charges, shall have been repaid. (May 20, 1936, ch. 432, § 7, 49 Stat. 1365.)

§ 908. Transfer of duties, functions and property of Administration created by Executive Order.—The administration of loans and contracts entered into by the Rural Electrification Administration established by Executive Order Numbered 7037, dated May 11, 1935, may be vested by the President in the Administrator authorized to be appointed by this chapter; and in such event the provisions of this chapter shall apply to said loans and contracts to the extent that said provisions are not inconsistent therewith. The President may transfer to the Rural Electrification Administration created by this chapter the jurisdiction and control of the records, property (including office equipment), and personnel used or employed in the exercise and performance of the functions of the Rural Electrification Administration established by such Executive order. (May 20, 1936, ch. 432, § 8, 49 Stat. 1366.)

§ 909. Administration on nonpolitical basis; dismissal of officers or employees for violating provision.—This chapter shall be administered entirely on a nonpartisan basis, and in the appointment of officials, the selection of employees, and in the promotion of any such officials or employees, no political test or qualification shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency. If the Administrator herein provided for is found by the President of the United States to be guilty of a violation of this section, he shall be removed from office by the President, and any appointee or selection of officials or employees made by the Administrator who is found guilty of a violation of this chapter shall be removed by the Administration. (May 20, 1936, ch. 432, § 9, 49 Stat. 1366.)

§ 910. Annual report of Administrator.—The Administrator shall present annually to the Congress not later than the 20th day of January in each year a full report of his activities under this chapter. (May 20, 1936, ch. 432, § 10, 49 Stat. 1366.)

§ 911. Acceptance of services of Federal or State officers; application of civil service laws; expenditures for supplies and equipment.—In order to carry out the provisions of this chapter the Administrator may accept and utilize such voluntary and uncompensated services of Federal, State, and local officers and employees as are available, and he may without regard to the provisions of civil-service laws applicable to officers and employees of the United States appoint and fix the compensation of attorneys, engineers, and experts, and he may, subject to the civil-service laws, appoint such other officers and employees as he may find necessary and prescribe their duties. The Administrator is authorized, from sums appropriated pursuant to section 906 of this title, to make such expenditures (including expenditures for personal services; supplies and equipment; lawbooks and books of reference; directories and periodicals; travel expenses; rental at the seat of government and elsewhere; the purchase, operation, or maintenance of passenger-carrying vehicles; and printing and binding) as are appropriate and necessary to carry out the provisions of this chapter. (May 20, 1936, ch. 432, § 11, 49 Stat. 1366.)

§ 912. Extension of time for repayment of loans.—The Administrator is authorized and empowered to extend the time of payment of interest or principal of any loans made by the Administrator pursuant to this chapter: *Provided, however,* That with respect to any loan made under section 904 of this title, the payment of interest or principal shall not be extended more than five years after such payment shall have become due, and with respect to any loan made under section 905 of this title, the payment of principal or interest shall not be extended more than two years after such payment shall have become due: *And provided further,* That the provisions of this section shall not apply to any obligations or the security therefor which may be held by the Reconstruction Finance Corporation under the provisions of section 903 of this title. (May 20, 1936, ch. 432, § 12, 49 Stat. 1366.)

§ 913. Definitions.—As used in this chapter the term “rural area” shall be deemed to mean any area of the United States not included within the boundaries of any city, village, or borough having a population in excess of fifteen hundred inhabitants, and such term shall be deemed to include both the farm and nonfarm population thereof; the term “farm” shall be deemed to mean a farm as defined in the publications of the Bureau of the Census; the term “person” shall be deemed to mean any natural person, firm, corporation, or association; the term “Territory” shall be deemed to include any insular possession of the United States. (May 20, 1936, ch. 432, § 13, 49 Stat. 1367.)

§ 914. Separability clause.—If any provision of this chapter, or the application thereof to any person or circumstances, is held invalid, the remainder of the chapter and the application of such provision to other persons or circumstances shall not be affected thereby. (May 20, 1936, ch. 432, § 14, 49 Stat. 1367.)

§ 915. Purchase of financial and credit reports.—The rural Electrification Administration is authorized to purchase such financial and credit reports as may be necessary to carry out its authorized work: *Provided,* That purchases under this authority shall not be made unless provision is made therefor in the applicable appropriation and the cost thereof is not in excess of limitations prescribed therein. (Sept. 21, 1944, ch. 412, title V, § 505, 58 Stat. 740.)

CODIFICATION

This section was not enacted as a part of the Rural Electrification Act of 1936.

This section was enacted as a part of the Department of Agriculture Organic Act of 1944, Act Sept. 21, 1944 cited to text.

Chapter 32.—PEANUT STATISTICS

§ 951. Collection and publication; facts required; submission of report.—The Secretary of Agriculture is hereby authorized and directed to collect and publish statistics of raw peanuts, shelled, unshelled, and crushed, and peanut oil, in the United States, received, processed, shipped, and owned by or in the possession of warehousemen, brokers, cleaners, shellers, dealers,

growers' cooperative associations, crushers, salters, manufacturers of peanut products, and owners other than the original producers of peanuts: *Provided*, That the Secretary may, in his discretion, omit for any period of time to collect such statistics from any or all salters of peanuts or manufacturers of peanut products who used, during the calendar year preceding that for which statistics are being collected, less than thirty thousand pounds of shelled and unshelled peanuts. Such statistics shall show the quality of peanuts in such details as to kinds—Virginias, Runners, Spanish, and imported varieties—as the Secretary shall deem necessary for the purposes of this chapter. All reports except those required from persons owning or operating peanut picking or threshing machines shall be submitted monthly in each year. (June 24, 1936, ch. 745, § 1, 49 Stat. 1898; May 12, 1938, ch. 199, § 1, 52 Stat. 348.)

§ 952. **Same; quantity picked or threshed.**—The Secretary is hereby authorized and directed to collect and publish statistics of the quantity of peanuts picked or threshed by any person owning or operating peanut picking or threshing machines. (June 24, 1936, ch. 745, § 2, 49 Stat. 1899; May 12, 1938, ch. 199, § 2, 52 Stat. 349.)

§ 953. **Reports; necessity; by whom made; penalties.**—It shall be the duty of every warehouseman, broker, cleaner, sheller, dealer, growers' cooperative association, crusher, salter, manufacturer of peanut products, and owner or operator of peanut picking or threshing machines to furnish promptly upon request of the Secretary, within the time prescribed by him, completely and correctly to the best of his knowledge, a report of the quantity of peanuts and peanut oil received, processed, shipped, and owned by or on hand and in the case of an operator of peanut picking and threshing machines the quantity picked or threshed, segregating in accordance with forms furnished for the purpose by the Secretary. Any person required by this chapter, or the regulations promulgated thereunder, to furnish reports or information, and any officer, agent, or employee thereof who shall refuse or willfully give answers that are false and misleading, shall be guilty of a misdemeanor, and upon conviction thereof shall be fined not less than \$300 nor more than \$1,000 or imprisoned not more than one year, or to ¹ be subject to both such fine and imprisonment. (June 24, 1936, ch. 745, § 3, 49 Stat. 1899; May 12, 1938, ch. 199, § 3, 52 Stat. 349.)

§ 954. **Grades and standards for classification.**—The Secretary is hereby authorized to establish and promulgate grades and standards for the classification of peanuts, whenever in his discretion he may see fit. (June 24, 1936, ch. 745, § 4, 49 Stat. 1899.)

§ 955. **Limitation on use of statistical information.**—The information furnished under the provisions of this chapter shall be used only for the statistical purposes for which it is supplied. No publication shall be made by the Secretary whereby the data furnished by any person can be identified, nor shall the Secretary permit anyone other than the sworn employees of the Department

¹ So in original. Probably should read "may."

of Agriculture to examine the individual reports. (June 24, 1936, ch. 745, § 5, 49 Stat. 1899.)

§ 956. Rules and regulations; cooperation with departments; etc.; officers and employees; expenses of administration; appropriation.—The Secretary may make rules and regulations as may be necessary in the administration of this chapter and may cooperate with any department or agency of the Government, any State, Territory, District, or possession, or department, agency, or political subdivision thereof, or any person; and shall have the power to appoint, remove, and fix the compensation of such officers and employees not in conflict with existing law, and make such expenditures for rent outside the District of Columbia, printing, binding, telegrams, telephones, law books, books of reference, publications, furniture, stationery, office equipment, travel, and other supplies and expenses, including reporting services, as shall be necessary to the administration of this chapter in the District of Columbia and elsewhere, and as may be appropriated for by Congress; and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for such purpose. (June 24, 1936, ch. 745, § 6, 49 Stat. 1899.)

§ 957. Definitions.—When used in this chapter—

(1) The term "person" includes individuals, partnerships, corporations, and associations;

(2) The term "Secretary" means the Secretary of Agriculture. (June 24, 1936, ch. 745, § 7, 49 Stat. 1899.)

Chapter 33.—FARM TENANCY

SUBCHAPTER I—FARM TENANT PROVISIONS

§ 1000. Short title.—This chapter may be cited as "The Bankhead-Jones Farm Tenant Act." (July 22, 1937, ch. 517, 50 Stat. 522.)

§ 1001. Farm acquirement loans; power of Secretary of Agriculture; persons eligible.—(a) The Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized to make loans in the United States and in the Territories of Alaska and Hawaii and in Puerto Rico to persons eligible to receive the benefits of sections 1001-1006 of this title to enable such persons to ch. 517, title II, § 22, 50 Stat. 525.)

(b) Only farm tenants, farm laborers, sharecroppers, and other individuals who obtain, or who recently obtained, the major portion of their income from farming operations shall be eligible to receive the benefits of sections 1001-1006 of this title. In making available the benefits of sections 1001-1006 of this title, the Secretary shall give preference to persons who are married, or who have dependent families, or, wherever practicable, to persons who are able to make an initial down payment, or who are owners of livestock and farm implements necessary successfully to carry on farming operations. No person shall be eligible who is not a citizen of the United States.

(c) No loan shall be made for the acquisition of any farm unless it is of such size as the Secretary determines to be sufficient

to constitute an efficient farm-management unit and to enable a diligent farm family to carry on successful farming of a type which the Secretary deems can be successfully carried on in the locality in which the farm is situated. (July 22, 1937, ch. 517, title I, § 1, 50 Stat. 522.)

§ 1002. Same; examination, appraisal, and certification by County Committee.—(a) The County Committee established under section 1016 of this title shall—

(1) Examine applications (filed with the county agent in the county, or with such other person as the Secretary may designate) of persons desiring to finance the acquisition of farms in the county by means of a loan from the Secretary under sections 1001-1006 of this title.

(2) Examine and appraise farms in the county with respect to which an application for a loan is made.

(b) If the committee finds that an applicant is eligible to receive the benefits of this title, that by reason of his character, ability, and experience he is likely successfully to carry out undertakings required of him under a loan which may be made under sections 1001-1006 of this title, and that the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of a loan with respect thereto will carry out the purposes of sections 1001-1006 of this title, it shall so certify to the Secretary. The committee shall also certify to the Secretary the amount which the committee finds is the reasonable value of the farm.

(c) No certification under this section shall be made with respect to any farm in which any member of the committee or any person related to such member within the third degree of consanguinity or affinity has any property interest, direct or indirect, or in which they or either of them have had such interest within one year prior to the date of certification.

(d) No loan shall be made to any person or with respect to any farm unless certification as required under this section has been made with respect to such person and such farm by the committee. (July 22, 1937, ch. 517, title I, § 2, 50 Stat. 523.)

§ 1003. Same; terms of loan.—(a) Loans made under sections 1001-1006 of this title shall be in such amount (not in excess of the amount certified by the County Committee to be the value of the farm) as may be necessary to enable the borrower to acquire the farm and for necessary repairs and improvements thereon, and shall be secured by a first mortgage or deed of trust on the farm.

(b) The instruments under which the loan is made and security given therefor shall—

(1) Provide for the repayment of the loan within an agreed period of not more than forty years from the making of the loan.

(2) Provide for the payment of interest on the unpaid balance of the loan at the rate of 3 per centum per annum.

(3) Provide for the repayment of the unpaid balance of the loan, together with interest thereon, in installments in accordance with amortization schedules prescribed by the Secretary.

(4) Be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the unpaid balance of the loan, together with interest thereon, to protect the security, and to assure that the farm will be maintained in repair, and waste and exhaustion of the farm prevented, and that such proper farming practices as the Secretary shall prescribe will be carried out.

(5) Provide that the borrower shall pay taxes and assessments on the farm to the proper taxing authorities, and insure and pay for insurance on farm buildings.

(6) Provide that upon the borrower's assigning, selling, or otherwise transferring the farm, or any interest therein, without the consent of the Secretary, or upon default in the performance of, or upon any failure to comply with, any covenant or condition contained in such instruments, or upon involuntary transfer or sale, the Secretary may declare the amount unpaid immediately due and payable, and that, without the consent of the Secretary, no final payment shall be accepted, or release of the Secretary's interest be made, less than five years after the making of the loan.

(c) Except as provided in paragraph (6) of subsection (b), no instrument provided for in this section shall prohibit the prepayment of any sum due under it.

(d) No provision of section 203 of title 11, as amended, otherwise applicable in respect of any indebtedness incurred under sections 1001-1006 of this title by any beneficiary thereof, shall be applicable in respect of such indebtedness until such beneficiary has repaid at least 15 per centum thereof. (July 22, 1937, ch. 517, title I, § 3, 50 Stat. 523.)

§ 1004. Same; equitable distribution of loans.—In making loans under sections 1001-1006 of this title, the amount which is devoted to such purpose during any fiscal year shall be distributed equitably among the several States and Territories on the basis of farm population and the prevalence of tenancy, as determined by the Secretary. (July 22, 1937, ch. 517, title I, § 4, 50 Stat. 524.)

§ 1005. Same; avoidance of production expansion.—In carrying out sections 1001-1006 of this title, the Secretary shall give due consideration to the desirability of avoiding the expansion of production for market of basic commodities where such expansion would defeat the policy of Congress as set forth in section 590g (a) (5) of Title 16, as amended, and shall, so far as practicable, assist beneficiaries of the program under sections 1001-1006 of this title to become established upon lands now in cultivation. (July 22, 1937, ch. 517, title I, § 5, 50 Stat. 524.)

§ 1006. Same; appropriations.—To carry out the provisions of sections 1001-1006 of this title, there is authorized to be appropriated not to exceed \$10,000,000 for the fiscal year ending June 30, 1938, not to exceed \$25,000,000 for the fiscal year ending June 30, 1939, and not to exceed \$50,000,000 for each fiscal year thereafter. Not more than 5 per centum of the sums appropriated for any fiscal year in pursuance of this section shall be available for administrative expenses in carrying out sections 1001-1006 of

this title during such fiscal year. (July 22, 1937, ch. 517, title I, § 6, 50 Stat. 524.)

SUBCHAPTER II—REHABILITATION LOANS

§ 1007. Rehabilitation loans; terms; borrowers.—(a) Out of the funds made available under section 1009, the Secretary shall have power to make loans to eligible individuals for the purchase of livestock, farm equipment, supplies, and for other farm needs (including minor improvements and minor repairs to real property), and for the refinancing of indebtedness, and for family subsistence.

(b) Loans made under this section shall bear interest at a rate not in excess of 3 per centum per annum, and shall have maturities not in excess of five years, and may be renewed. Such loans shall be payable in such installments as the Secretary may provide in the loan agreement. All loans made under sections 1007-1009 of this title shall be secured by a chattel mortgage, a lien on crops, and an assignment of proceeds from the sale of agricultural products, or by any one or more of the foregoing.

(c) Only farm owners, farm tenants, farm laborers, sharecroppers, and other individuals who obtain, or who recently obtained, the major portion of their income from farming operations, and who cannot obtain credit on reasonable terms from any federally incorporated lending institution, shall be eligible for loans under this section. (July 22, 1937, ch. 517, title II, § 21, 50 Stat. 524.)

§ 1007a. Conditions and penalties attaching to loans.—Hereafter rural rehabilitation loans shall be subject to the conditions and penalties prescribed by sections 1020k and 1020n of Title 12, except that the functions conferred upon the Governor of the Farm Credit Administration by said sections are hereby conferred, for the purposes hereof, upon the Secretary of Agriculture. (July 1, 1941, ch. 267, § 1, 55 Stat. 440.)

CODIFICATION

Section is not a part of "The Bankhead-Jones Tenant Act" which constitutes this chapter.

§ 1008. Same; debt adjustment.—The Secretary shall have power to assist in the voluntary adjustment of indebtedness between farm debtors and their creditors and may cooperate with and pay the whole or part of the expenses of State, Territorial, and local agencies and committees engaged in such debt adjustment. He is also authorized to continue and carry out undertakings with respect to farm debt adjustment uncompleted at the time when appropriations for the purpose of this section are first available. Services furnished by the Secretary under this section shall be without charge to the debtor or creditor. (July 22, 1937, ch. 517, title II, § 22, 50 Stat. 525.)

§ 1009. Same; appropriation.—(a) For the fiscal year ending June 30, 1938, the balances of funds available to the Secretary for loans and relief to farmers, pursuant to Executive Order

Numbered 7530 of December 31, 1936, as amended by Executive Order Numbered 7557 of February 19, 1937, which are unexpended on June 30, 1937, are authorized to be appropriated to carry out the provisions of sections 1007-1009 of this title.

(b) The President is authorized to allot to the Secretary, out of appropriations made for relief or work relief for any fiscal year ending prior to July 1, 1939, such sums as he determines to be necessary to carry out the provisions of sections 1007-1009 of this title and to enable the Secretary to carry out such other forms of rehabilitation of individuals eligible under sections 1007-1009 of this title to receive loans as may be authorized by law and designated in the Executive order directing the allotment. (July 22, 1937, ch. 517, title II, § 23, 50 Stat. 525.)

SUBCHAPTER III—RETIREMENT OF SUBMARGINAL LAND

§ 1010. Retirement of submarginal lands.—The Secretary is authorized and directed to develop a program of land conservation and land utilization, including the retirement of lands which are submarginal or not primarily suitable for cultivation, in order thereby to correct maladjustments in land use, and thus assist in controlling soil erosion, reforestation, preserving natural resources, mitigating floods, preventing impairment of dams and reservoirs, conserving surface and subsurface moisture, protecting the watersheds of navigable streams, and protecting the public lands, health, safety, and welfare. (July 22, 1937, ch. 517, title III, § 31, 50 Stat. 525.)

§ 1011. Same; powers of Secretary of Agriculture.—To effectuate the program provided for in section 1010, the Secretary is authorized—

(a) To acquire by purchase, gift, or devise, or by transfer from any agency of the United States or from any State, Territory, or political subdivision, submarginal land and land not primarily suitable for cultivation, and interests in and options on such land. Such property may be acquired subject to any reservations, outstanding estates, interests, easements, or other encumbrances which the Secretary determines will not interfere with the utilization of such property for the purposes of this chapter.

(b) To protect, improve, develop, and administer any property so acquired and to construct such structures thereon as may be necessary to adapt it to its most beneficial use.

(c) To sell, exchange, lease, or otherwise dispose of, with or without a consideration, any property so acquired, under such terms and conditions as he deems will best accomplish the purposes of sections 1010-1013 of this title, but any sale, exchange, or grant shall be made only to public authorities and agencies and only on condition that the property is used for public purposes: *Provided, however,* That an exchange may be made with private owners and with subdivisions or agencies of State governments in any case where the Secretary of Agriculture finds that such exchange would not conflict with the purposes of this chapter, and that the value of the property received in exchange is substantially equal to that of the property conveyed. The Secretary

may recommend to the President other Federal, State, or Territorial agencies to administer such property, together with the conditions of use and administration which will best serve the purposes of a land-conservation and land-utilization program, and the President is authorized to transfer such property to such agencies.

(d) With respect to any land, or any interest therein, acquired by, or transferred to, the Secretary for the purposes of sections 1010-1013 of this title, to make dedications or grants, in his discretion, for any public purpose, and to grant licenses and easements upon such terms as he deems reasonable.

(e) To cooperate with Federal, State, Territorial, and other public agencies in developing plans for a program of land conservation and land utilization, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively, the purposes of sections 1010-1013 of this title, and to disseminate information concerning these activities.

(f) To make such rules and regulations as he deems necessary to prevent trespasses and otherwise regulate the use and occupancy of property acquired by, or transferred to, the Secretary for the purposes of sections 1010-1013 of this title, in order to conserve and utilize it or advance the purposes of sections 1010-1013 of this title. Any violation of such rules and regulations shall be punished as prescribed in section 104 of Title 18. (July 22, 1937, ch. 517, title III, § 32, 50 Stat. 525.) (As amended July 28, 1942, ch. 531, 56 Stat. 725.)

§ 1012. Same; payments to counties.—As soon as practicable after the end of each calendar year, the Secretary shall pay to the county in which any land is held by the Secretary under sections 1010-1013 of this title, 25 per centum of the net revenues received by the Secretary from the use of the land during such year. In case the land is situated in more than one county, the amount to be paid shall be divided equitably among the respective counties. Payments to counties under this section shall be made on the condition that they are used for school or road purposes, or both. This section shall not be constructed to apply to amounts received from the sale of land. (July 22, 1937, ch. 517, title III, § 33, 50 Stat. 526.)

§ 1013. Same; appropriation.

Section, derived from act July 22, 1937, ch. 517, title III, § 34, 50 Stat. 526, expired by its own limitations at end of fiscal year 1940.

SUBCHAPTER IV—GENERAL PROVISIONS

§ 1014. Farmers' Home Corporation—(a) Establishment; location.—There is hereby created as an agency, of and within the Department of Agriculture, a body corporate with the name "Farmers' Home Corporation" (in this chapter called the Corporation). The principal office of the corporation shall be located in the District of Columbia, but there may be established agencies or branch offices elsewhere in the United States under rules and regulations prescribed by the Board of Directors.

(b) Delegation of power by Secretary of Agriculture.—The Secretary shall have power to delegate to the Corporation such

powers and duties conferred upon him under sections 1001-1009 of this title, and such powers under sections 1014-1029 of this title as relate to the exercise of the powers and duties so delegated, as he deems may be necessary to the efficient carrying out of the purposes of sections 1001-1009 and 1014-1029 of this title and may be executed by the Corporation, and to transfer to the Corporation such funds available for such purposes as he deems necessary. In connection with and in the exercise of such powers and duties so delegated, all provisions of this chapter relating to the powers and duties of, and limitations upon, the Secretary shall apply to the Corporation in the same manner as to the Secretary, and the term "Secretary" shall be construed to include "Corporation."

(c) Capital stock.—The Corporation shall have an nominal capital stock in an amount determined and subscribed for by the Secretary. Receipts for payments for or on account of such stock shall be issued by the Corporation to the Secretary and shall be evidence of the stock ownership of the United States.

(d) Board of directors; personnel; quorum; compensation; expenses.—The management of the Corporation shall be vested in a board of directors (in this chapter called the Board) subject to the general supervision of the Secretary. The Board shall consist of three persons employed in the Department of Agriculture who shall be designated by the Secretary. Vacancies in the Board, so long as there are two members in office, shall not impair the powers of the Board to execute its functions and two of the members in office shall constitute a quorum for the transaction of business. The directors, appointed as hereinbefore provided, shall receive no additional compensation for their services as such directors but may be allowed travel and subsistence expenses when engaged in business of the Corporation outside of the District of Columbia.

(e) Selection of administrator.—The Board may select, subject to the approval of the Secretary, an administrator, who shall be the executive officer of the Corporation, with such power and authority as may be conferred upon him by the Board.

(f) Powers of corporation.—The Corporation—

(1) Shall have succession in its corporate name;

(2) May adopt, alter, and use a corporate seal, which shall be judicially noticed;

(3) May sue and be sued in its corporate name in any court of competent jurisdiction, State or Federal: *Provided*, That the prosecution and defense of all litigation to which the Corporation may be a party shall be conducted under the supervision of the Attorney General, and the Corporation shall be represented by the United States Attorneys for the districts, respectively, in which such litigation may arise, or by such other attorney or attorneys as may, under the law, be designated by the Attorney General: *And provided further*, That no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Corporation or its property;

(4) May adopt, amend, and repeal bylaws, rules, and regulations governing the manner in which its business may be con-

ducted and the powers vested in it may be exercised and enjoyed;

(5) Shall be entitled to the free use of the United States mails in the same manner as other executives agencies of the Government;

(6) Shall have such powers as may be necessary or appropriate for the exercise of the powers vested in the Corporation (including, but subject to the limitations of this chapter, the power to make contracts, and to purchase or lease, and to hold or dispose of, such real and personal property as it deems necessary) and all such incidental powers as are customary in corporations generally. The Board shall define the authority and duties of the officers and employees of the Corporation, delegate to them such of the powers vested in the Corporation as it may determine, and require bonds of such of them as it may designate and fix the penalties and pay the premiums of such bonds.

(g) **Compensation to injured employees.**—Insofar as applicable, the benefits of sections 751-791, 792, 793 of Title 5, as amended, shall extend to employees of the Corporation.

(h) **Deposit of monies.**—All money of the Corporation not otherwise employed may be deposited with the Treasurer of the United States or in any bank approved by the Secretary of the Treasury, subject to withdrawal by the Corporation at any time, or with the approval of the Secretary of the Treasury may be invested in obligations of the United States. Subject to the approval of the Secretary of the Treasury, the Federal Reserve banks are hereby authorized and directed to act as depositories, custodians, and fiscal agents for the Corporation in the performance of its powers.

(i) **Tax exemption.**—The Corporation, including its franchises, its capital, reserves, and surplus and its income and property shall, except as otherwise provided in section 1024 (a) of this title, be exempt from all taxation now or hereafter imposed by the United States or any State, Territory, District, dependency, or political subdivision.

(j) **Records; annual report.**—The Corporation shall at all times maintain complete and accurate books of account and shall file annually with the Secretary a complete report as to the business of the Corporation. (July 22, 1937, ch. 517, Title IV, § 40, 50 Stat. 527.)

§ 1015. Powers of Secretary of Agriculture.—For the purposes of this chapter, the Secretary shall have power to—

(a) Appoint (without regard to the civil-service laws and regulations) and fix the compensation of such officers and employees as may be necessary. No person (except as to positions requiring technical training and experience for which no one possessing the requisite technical training and experience is available within the area) shall be appointed or transferred under this chapter to any position in an office in a State or Territory the operations of which are confined to such State or Territory or a portion thereof, or in a regional office outside the District of Columbia the operations of which extend to more than one, or portions of more than one, State or Territory, unless such person has been an actual and bona-fide resident of the State or Territory,

or region, as the case may be, in which such office is located, for a period of not less than one year next preceding the appointment or transfer to such position (disregarding periods of residence outside such State or Territory, or region, as the case may be, while in the Federal Government service). If the operations of the office are confined to a portion of a single State or Territory, the Secretary in making appointments or transfers to such office shall, except in the classes of cases exempted from the preceding sentence, appoint or transfer only persons who are residents of such portion of the State or Territory: *Provided*, That hereafter, wherever practicable, all appointments of persons to the Federal service for employment within the District of Columbia, under the provisions of this chapter, whether such appointments be within the classified civil service or otherwise, shall be apportioned among the several States and the District of Columbia upon the basis of population as ascertained at the last preceding census.

(b) Accept and utilize voluntary and uncompensated services, and, with the consent of the agency concerned, utilize the officers, employees, equipment, and information of any agency of the Federal Government, or of any State, Territory, or political subdivision.

(c) Within the limits of appropriations made therefor, make necessary expenditures for personal services and rent at the seat of government and elsewhere; contract stenographic reporting services; purchase and exchange of supplies and equipment, law books, books of reference, directories, periodicals, newspapers, and press clippings; travel and subsistence expenses, including the expense of attendance at meetings and conferences; purchase, operation, and maintenance, at the seat of government and elsewhere, of motor-propelled passenger-carrying and other vehicles; printing and binding; and for such other facilities and services as he may from time to time find necessary for the proper administration of this chapter.

(d) Make contracts for services and purchases of supplies without regard to the provisions of section 5 of Title 41 when the aggregate amount involved is less than \$300.

(e) Make payments prior to audit and settlement by the General Accounting Office.

(f) Acquire land and interests therein without regard to sections 733 of Title 33, 520 of Title 34, 255 of Title 40 and 175 of Title 50. This subsection shall not apply with respect to the acquisition of land or interests in land under sections 1010-1013 of this title.

(g) Compromise claims and obligations arising under, and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into pursuant to, this chapter, as circumstances may require.

(h) Collect all claims and obligations arising under this chapter, or under any mortgage, lease, contract, or agreement entered into pursuant to this chapter, and, if in his judgment necessary and advisable, to pursue the same to final collection in any court having jurisdiction: *Provided*, That the prosecution and defense of all litigation under this chapter shall be conducted under the

supervision of the Attorney General, and the legal representation shall be by the United States Attorneys for the districts, respectively, in which such litigation may arise, or by such other attorney or attorneys as may, under the law, be designated by the Attorney General.

(i) Make such rules and regulations as he deems necessary to carry out this chapter. (July 22, 1937, ch. 517, title IV, § 41, 50 Stat. 528.)

§ 1016. County Committee; appointments; compensation; meetings; duties.—(a) The Secretary is authorized and directed to appoint in each county in which activities are carried on under sections 1001-1006 of this title a county committee composed of three farmers residing in the county.

(b) Each member of the committee shall be allowed compensation at the rate of \$3 per day while engaged in the performance of duties under this chapter but such compensation shall not be allowed with respect to more than five days in a month. In addition, they shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses.

(c) The committee shall meet on the call of the county agent in the county, or on the call of such other person as the Secretary may designate. Two members of the committee shall constitute a quorum. The Secretary shall prescribe rules governing the procedure of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistants as he deems may be required by any committee.

(d) Committees established under this chapter shall, in addition to the duties specifically imposed under this chapter, perform such other duties under this chapter as the Secretary may require of them. (July 22, 1937, ch. 517, title IV, § 42, 50 Stat. 529.)

§ 1017. Completion of resettlement projects.—The Secretary is authorized to continue to perform such of the functions vested in him pursuant to Executive Order Numbered 7530 of December 31, 1936, as amended by Executive Order Numbered 7557 of February 19, 1937, and pursuant to sections 431-434 of Title 40, as shall be necessary only for the completion and administration of those resettlement projects, rural rehabilitation projects for resettlement purposes, and land development and land utilization projects, for which funds have been allotted by the President, and the balances of funds available to the Secretary for said purposes which are unexpended on June 30, 1937, are authorized to be appropriated to carry out said purposes: *Provided*, That any land held by the United States under the supervision of the Secretary pursuant to said Executive orders may where suitable be utilized for the purposes of sections 1001-1006 of this title, and the Secretary may sell said land and make loans for the necessary improvement thereof to such individuals and upon such terms as shall be in accordance with the provisions of sections 1001-1006 of this title. (July 22, 1937, ch. 517, title IV, § 43, 50 Stat. 530.)

§ 1018. Reservation of mineral rights.—The sale or other disposition of any real property acquired by the Secretary pursuant to the provisions of this chapter, or any interest therein, shall be

subject to the reservation by the Secretary on behalf of the United States of not less than an undivided three-fourths of the interest of the United States in all coal, oil, gas, and other minerals in or under such property. (July 22, 1937, ch. 517, title IV, § 44, 50 Stat. 530).

§ 1019. Transfer of available lands.—The President may at any time in his discretion transfer to the Secretary or the Corporation any right, interest, or title held by the United States, and under the supervision of the Secretary, in any land which the President shall find suitable for the purposes of this chapter, and the Secretary or the Corporation, as the case may be, may use and dispose of such land in such manner, and subject to such terms and conditions, as the President determines will best carry out the objectives of this chapter. (July 22, 1937, ch. 517, title IV, § 45, 50 Stat. 530).

§ 1020. Transactions with private corporations.—Nothing in this chapter shall be construed to authorize the making of any loan, or the sale or other disposition of real property or any interest therein, to any private corporation, for farming purposes. (July 22, 1937, ch. 517, title IV, § 46, 50 Stat. 530.)

§ 1021. Surveys and research.—The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting, and the methods of accomplishing most effectively, the purposes of this chapter, and may publish and disseminate information pertinent to the various aspects of his activities. (July 22, 1937, ch. 517, title IV, § 47, 50 Stat. 531.)

§ 1022. Variable payments on obligations.—The Secretary may provide for the payment of any obligation or indebtedness to him under this chapter under a system of variable payments under which a surplus above the required payment will be collected in periods of above-normal production or prices and employed to reduce payments below the required payment in periods of sub-normal production or prices. (July 22, 1937, ch. 517, title IV, § 48, 50 Stat. 531.)

§ 1023. Set-off.—No set-off shall be made against any payment to be made by the Secretary to any person under the provisions of this chapter, by reason of any indebtedness of such person to the United States, and no debt due to the Secretary under the provisions of this chapter shall be set off against any payments owing by the United States, unless the Secretary shall find that such set-off will not adversely affect the objectives of this chapter. (July 22, 1937, ch. 517, title IV, § 49, 50 Stat. 531.)

§ 1024. Taxation.—(a) All property which is being utilized to carry out the purposes of sections 1001-1006 or sections 1007-1009 of this title (other than property used solely for administrative purposes) shall, notwithstanding that legal title to such property remains in the Secretary or the Corporation, be subject to taxation by the State, Territory, District, dependency, and political subdivision concerned, in the same manner and to the same extent as other similar property is taxed.

(b) All property to which subsection (a) of this section is inapplicable which is held by the Secretary or the Corporation

pursuant to this chapter shall be exempt from all taxation now or hereafter imposed by the United States or any State, Territory, District, dependency, or political subdivision, but nothing in this subsection shall be construed as affecting the authority or duty of the Secretary under any other law to make payments in respect of any such property in lieu of taxes. (July 22, 1937, ch. 517, title IV, § 50, 50 Stat. 531.)

§ 1025. Purchase at foreclosure sale.—The Secretary is authorized and empowered to bid for and purchase at any foreclosure or other sale, or otherwise to acquire property pledged or mortgaged to secure any loan or other indebtedness owing under this chapter; to accept title to any property so purchased or acquired; to operate or lease such property for such period as may be deemed necessary or advisable to protect the investment therein; and to sell or otherwise dispose of such property so purchased or acquired upon such terms and for such considerations as the Secretary shall determine to be reasonable, but subject to the reservation of the rights provided for in section 1018 of this title. (July 22, 1937, ch. 517, title IV, § 51, 50 Stat. 531.)

§ 1026. Penalties.—(a) Whoever makes any material representation, knowing it to be false, for the purpose of influencing in any way the action of the Corporation upon any application, advance, discount, purchase, or repurchase agreement, contract of sale, lease, or loan, or any change or extension of any of the same by renewal, deferment of action or otherwise, or the acceptance, release, or substitution of security therefor, shall be punished by a fine of not more than \$5,000 or by imprisonment for not more than two years, or both.

(b) Whoever, being connected in any capacity with the Corporation, (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to the Corporation or pledged or otherwise entrusted to it; or (2) with intent to defraud the Corporation, or any other body politic or corporate, or any individual, or to deceive, any officer, auditor, or examiner of the Corporation, makes any false entry in any book, report, or statement of, or to, the Corporation or draws any order, or issues, puts forth, or assigns any note or other obligation or draft, mortgage, judgment, or decree thereof; or (3) with intent to defraud the Corporation, participates or shares in or receives directly or indirectly any money, profit, property, or benefits through any transaction, loan, commission contract, or any other act of the Corporation, shall be punished by a fine of not more than \$10,000 or by imprisonment for not more than five years, or both.

(c) Whoever willfully shall conceal, remove, dispose of, or convert to his own use or to that of another, any property mortgaged or pledged to, or held by, the Corporation, as security for any obligation, shall be punished by a fine of not more than \$5,000 or by imprisonment for not more than two years, or both.

(d) The provisions of sections 202, 203, 204, 205, 206, and 207, of Title 18, insofar as applicable, are extended to apply to contracts or agreements of the Corporation, which for the purposes hereof shall be held to include advances, loans, discounts,

purchase and repurchase agreements, contracts of sale, and leases; extensions and renewals thereof; and acceptances, releases, and substitutions of security therefor.

(e) Whoever conspires with another to accomplish any of the acts made unlawful by the preceding provisions of this section shall, on conviction thereof, be subject to the same fine or imprisonment, or both, as is applicable in the case of conviction for doing such unlawful act. (July 22, 1937, ch. 517, title IV, § 52, 50 Stat. 531.)

§ 1027. Fees and commissions.—No Federal officer, attorney, or employee shall, directly or indirectly, be the beneficiary of or receive any fee, commission, gift, or other consideration for or in connection with any transaction or business under this chapter other than such salary, fee, or other compensation as he may receive as such officer, attorney, or employee. No member of a county committee established under section 1016 of this title shall knowingly make or join in making any certification prohibited by section 1002 (c) of this title. Any person violating any provision of this section shall, upon conviction thereof, be punished by a fine of not more than \$1,000 or imprisonment for not more than one year, or both. (July 22, 1937, ch. 517, title IV, § 53, 50 Stat. 532.)

§ 1028. Application to Territories.—The provisions of this chapter shall extend to the Territories of Alaska and Hawaii and to Puerto Rico. In the case of Alaska and Puerto Rico the term "county" as used in this chapter shall be deemed synonymous with the Territory, or any subdivision thereof as may be designated by the Secretary, and payments under section 1012 of this title shall be made to the Governor of the Territory or to the fiscal agent of such subdivision. (July 22, 1937, ch. 517, title IV, § 54, 50 Stat. 532.)

§ 1029. Separability.—If any provision of this chapter, or the application thereof to any person or circumstances, is held invalid, the remainder of the chapter, and the application of such provisions to other persons or circumstances, shall not be affected thereby. (July 22, 1937, ch. 517, title IV, § 55, 50 Stat. 533.)

Chapter 34.—SUGAR PRODUCTION AND CONTROL

§ 1100. Short title.—This chapter may be cited as the Sugar Act of 1937. (Sept. 1, 1937, ch. 898, § 1, 50 Stat. 903.)

SUBCHAPTER 1.—DEFINITIONS

§ 1101. Definitions.—For the purposes of this chapter, except subchapter IV—

The term "person" means an individual, partnership, corporation, or association.

The term "sugars" means any grade or type of saccharine product derived from sugarcane or sugar beets, which contains sucrose, dextrose, or levulose.

The term "sugar" means raw sugar or direct-consumption sugar.

The term "raw sugar" means any sugars which are principally of crystalline structure and which are to be further refined or improved in quality, and any sugars which are principally not of crystalline structure but which are to be further refined or otherwise improved in quality to produce any sugars principally of crystalline structure.

The term "direct-consumption sugar" means any sugars which are principally of crystalline structure and which are not to be further refined or otherwise improved in quality.

The term "liquid sugar" means any sugars (exclusive of sirup of cane juice produced from sugarcane grown in continental United States) which are principally not of crystalline structure and which contain, or which are to be used for the production of any sugars principally not of crystalline structure which contain, soluble nonsugar solids (excluding any foreign substances that may have been added) equal to 6 per centum or less of the total soluble solids.

Sugars in dry amorphous form shall be considered to be principally of crystalline structure.

The "raw value" of any quantity of sugars means its equivalent in terms of ordinary commercial raw sugar testing ninety-six sugar degrees by the polariscope, determined in accordance with regulations to be issued by the Secretary. The principal grades and types of sugar and liquid sugar shall be translated into terms of raw value in the following manner:

(1) For direct-consumption sugar, derived from sugar beets and testing ninety-two or more sugar degrees by the polariscope, by multiplying the number of pounds thereof by 1.07;

(2) For sugar, derived from sugarcane and testing ninety-two sugar degrees by the polariscope, by multiplying the number of pounds thereof by 0.93;

(3) For sugar, derived from sugarcane and testing more than ninety-two sugar degrees by the polariscope, by multiplying the number of pounds thereof by the figure obtained by adding to 0.93 the result of multiplying 0.0175 by the number of degrees and fractions of a degree of polarization above ninety-two degrees;

(4) For sugar and liquid sugar, testing less than ninety-two sugar degrees by the polariscope, by dividing the number of pounds of the "total sugar content" thereof by 0.972.

(5) The Secretary may establish rates for translating sugar and liquid sugar into terms of raw value for (a) any grade or type of sugar or liquid sugar not provided for in the foregoing and (b) any special grade or type of sugar or liquid sugar for which he determines that the raw value cannot be measured adequately under the provisions of paragraphs (1) to (4), inclusive, of this subsection (h).

The term "total sugar content" means the sum of the sucrose (Clerget) and reducing or invert sugars contained in any grade or type of sugar or liquid sugar.

The term "quota", depending upon the context, means (1) that quantity of sugar or liquid sugar which may be brought or imported into the continental United States, for consumption

therein, during any calendar year, from the Territory of Hawaii, Puerto Rico, the Virgin Islands, the Commonwealth of the Philippine Islands, or a foreign country or group of foreign countries; (2) that quantity of sugar or liquid sugar produced from sugar beets or sugarcane grown in the continental United States which, during any calendar year, may be shipped, transported, or marketed in interstate commerce, or in competition with sugar or liquid sugar shipped, transported, or marketed in interstate or foreign commerce; or (3) that quantity of sugar or liquid sugar which may be marketed in the Territory of Hawaii or in Puerto Rico, for consumption therein, during any calendar year.

The term "producer" means a person who is the legal owner, at the time of harvest or abandonment, of a portion or all of a crop of sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar.

The terms "including" and "include" shall not be deemed to exclude anything not mentioned but otherwise within the meaning of the term defined.

The term "Secretary" means the Secretary of Agriculture. (Sept. 1, 1937, ch. 898, title I, § 101, 50 Stat. 903.)

SUBCHAPTER II.—QUOTA PROVISIONS

§ 1111. Annual estimate of consumption in continental United States.—The Secretary shall determine for each calendar year the amount of sugar needed to meet the requirements of consumers in the continental United States; such determinations shall be made during the month of December in each year for the succeeding calendar year and at such other times during such calendar year as the Secretary may deem necessary to meet such requirements. In making such determinations the Secretary shall use as a basis the quantity of direct-consumption sugar distributed for consumption, as indicated by official statistics of the Department of Agriculture, during the twelve-month period ending October 31 next preceding the calendar year for which the determination is being made, and shall make allowances for a deficiency or surplus in inventories of sugar, and changes in consumption, as computed from statistics published by agencies of the Federal Government with respect to inventories of sugar, population, and demand conditions; and in order that the regulation of commerce provided by this chapter shall not result in excessive prices to consumers, the Secretary shall make such additional allowances as he may deem necessary in the amount of sugar determined to be needed to meet the requirements of consumers, so that the supply of sugar made available to consumers shall not result in average prices to consumers in excess of those necessary to maintain the domestic sugar industry as a whole. The amount of such additional allowances shall not be less than the amount required, after allowance for normal carry-over, to give consumers in the continental United States a per capital consumption equal to the average of the two-year period 1937-38. (Sept. 1, 1937, ch. 898, title II, § 201, 50 Stat. 904; Oct. 10, 1940, ch. 839, § 2, 54 Stat. 1093.)

§ 1112. Proration of quotas.—Whenever a determination is made, pursuant to section 1111 of this title, of the amount of sugar needed to meet the requirements of consumers, the Secretary shall establish quotas, or revise existing quotas—

(a) **Domestic producing areas.**—For domestic sugar-producing areas by prorating among such areas 55.59 per centum of such amount of sugar (but not less than 3,715,000 short tons) on the following basis:

Area	Per centum
Domestic beet sugar.....	41.72
Mainland cane sugar.....	11.31
Hawaii.....	25.25
Puerto Rico.....	21.48
Virgin Islands.....	.24

(b) **Foreign producing areas.**—For foreign countries, and the Commonwealth of the Philippine Islands, by prorating 44.41 per centum of such amount of sugar (except, if such amount of sugar is less than 6,682,670 short tons, the excess of such amount over 3,715,000 short tons) on the following basis:

Area	Per centum
Commonwealth of the Philippine Islands.....	34.70
Cuba.....	64.41
Foreign countries other than Cuba.....	.89

In no case shall the quota for the Commonwealth of the Philippine Islands be less than the duty-free quota now established by the provisions of sections 1231-1247 of Title 48.

The quota for foreign countries other than Cuba shall be prorated among such countries on the basis of the division of the quota for such countries made in General Sugar Quota Regulations, Series 4, Number 1, issued December 12, 1936, pursuant to sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title. (Sept. 1, 1937, ch. 898, title II, § 202, 50 Stat. 905.)

§ 1113. Estimates for consumption in Hawaii and Puerto Rico; quotas.—In accordance with the applicable provisions of section 1111 of this title, the Secretary shall also determine the amount of sugar needed to meet the requirements of consumers in the Territory of Hawaii, and in Puerto Rico, and shall establish quotas for the amounts of sugar which may be marketed for local consumption in such areas equal to the amounts determined to be needed to meet the requirements of consumers therein. (Sept. 1, 1937, ch. 898, title II, § 203, 50 Stat. 905.)

§ 1114. Revision of proration upon productive deficiency of quota area—(a) **Domestic productive deficiency.**—The Secretary shall, as he deems necessary during the calendar year, determine whether, in view of the current inventories of sugar, the estimated production from the acreage of sugar-cane or sugar beets planted, the normal marketings within a calendar year of new-crop sugar, and other pertinent factors, any domestic area, the Commonwealth of the Philippine Islands, or Cuba, will be unable to market the quota for such area. If the Secretary finds that any domestic area or Cuba will be unable to market the quota for such area for the calendar year then current, he shall revise the quotas for the domestic areas and Cuba by prorating an amount of sugar

equal to the deficit so determined to the other such areas, on the basis of the quotas then in effect. Any portion of such sugar which the Secretary determines cannot be supplied by domestic areas and Cuba shall be prorated to foreign countries other than Cuba on the basis of the prorations of the quota then in effect for such foreign countries. If the Secretary finds that the Commonwealth of the Philippine Islands will be unable to market the quota for such area for the calendar year then current, he shall revise the quota for foreign countries other than Cuba by prorating an amount of sugar equal to the deficit so determined to such foreign countries, on the basis of the prorations of the quota then in effect for such countries: *Provided, however,* That the quota for any domestic area, the Commonwealth of the Philippine Islands, or Cuba or other foreign countries, shall not be reduced by reason of any determination made pursuant to the provisions of this subsection.

(b) Foreign productive deficiency.—If, on the 1st day of September in any calendar year, any part or all of the proration to any foreign country of the quota in effect on the 1st day of July in the same calendar year for foreign countries other than Cuba, has not been filled, the Secretary may revise the proration of such quota among such foreign countries, by prorating an amount of sugar equal to such unfilled proration to all other such foreign countries which have filled their prorations of such quota by such date, on the basis of the prorations then in effect. (Sept. 1, 1937, ch. 898, title II, § 204, 50 Stat. 905.)

§ 1115. Allotments of quotas or prorations—(a) Authoriation; method; modification.—Whenever the Secretary finds that the allotment of any quota, or proration thereof, established for any area pursuant to the provisions of this chapter, is necessary to assure an orderly and adequate flow of sugar or liquid sugar in the channels of interstate or foreign commerce, or to prevent disorderly marketing or importation of sugar or liquid sugar, or to maintain a continuous and stable supply of sugar or liquid sugar, or to afford all interested persons an equitable opportunity to market sugar or liquid sugar within any area's quota, after such hearing and upon such notice as he may by regulations prescribe, he shall make allotments of such quota or proration thereof by allotting to persons who market or import sugar or liquid sugar, for such periods as he may designate, the quantities of sugar or liquid sugar which each such person may market in continental United States, the Territory of Hawaii, or Puerto Rico, or may import or bring into continental United States, for consumption therein. Allotments shall be made in such manner and in such amounts as to provide a fair, efficient, and equitable distribution of such quota or proration thereof, by taking into consideration the processings of sugar or liquid sugar from sugar beets or sugarcane to which proportionate shares, determined pursuant to the provisions of subsection (b) of section 1132 of this title, pertained; the past marketings or importations of each such person; or the ability of such person to market or import that portion of such quota or proration thereof allotted to him. The Secretary may also, upon such hearing and notice as he may

by regulations prescribe, revise or amend any such allotment upon the same basis as the initial allotment was made.

(b) Appeal to courts; grounds.—An appeal may be taken, in the manner hereinafter provided, from any decision making such allotments, or revision thereof, to the United States Court of Appeals for the District of Columbia in any of the following cases:

(1) By any applicant for an allotment whose application shall have been denied.

(2) By any person aggrieved by reason of any decision of the Secretary granting or revising any allotment made to him.

(c) Same; initial procedure.—Such appeal shall be taken by filing with said court within twenty days after the decision complained of is effective, notice in writing of said appeal and a statement of the reasons therefor, together with proof of service of a true copy of said notice and statement upon the Secretary. Unless a later date is specified by the Secretary as part of his decision, the decision complained of shall be considered to be effective as of the date on which public announcement of the decision is made at the office of the Secretary in the city of Washington. The Secretary shall thereupon, and in any event not later than ten days from the date of such service upon him, mail or otherwise deliver a copy of said notice of appeal to each person shown by the records of the Secretary to be interested in such appeal and to have a right to intervene therein under the provisions of this section, and shall at all times thereafter permit any such person to inspect and make copies of appellants' reasons for said appeal at the office of the Secretary in the city of Washington. Within thirty days after the filing of said appeal the Secretary shall file with the court the originals or certified copies of all papers and evidence presented to him upon the hearing involved and also a like copy of his decision thereon and shall within thirty days thereafter file a full statement in writing of the facts and grounds for his decision as found and given by him and a list of all interested persons to whom he has mailed or otherwise delivered a copy of said notice of appeal.

(d) Same; intervention.—Within thirty days after the filing of said appeal any interested person may intervene and participate in the proceedings had upon said appeal by filing with the court a notice of intention to intervene and a verified statement showing the nature of the interest of such party together with proof of service of true copies of said notice and statement, both upon the appellant and upon the Secretary. Any person who would be aggrieved or whose interests would be adversely affected by reversal or modification of the decision of the Secretary complained of shall be considered an interested party.

(e) Same; hearing; review.—At the earliest convenient time the court shall hear and determine the appeal upon the record before it, and shall have power, upon such record, to enter a judgment affirming or reversing the decision, and if it enters an order reversing the decision of the Secretary it shall remand the case to the Secretary to carry out the judgment of the court: *Provided, however,* That the review by the court shall be limited to questions of law and that findings of fact by the Secretary, if

supported by substantial evidence, shall be conclusive unless it shall clearly appear that the findings of the Secretary are arbitrary or capricious. The court's judgments shall be final, subject, however, to review by the Supreme Court of the United States, upon writ of certiorari on petition therefor, under section 347 of Title 28, as amended, by appellant, by the Secretary, or by any interested party intervening in the appeal.

(f) **Same; costs.**—The court may, in its discretion, enter judgment for costs in favor of or against an appellant, and other interested parties intervening in said appeal, but not against the Secretary, depending upon the nature of the issues involved in such appeal and the outcome thereof.

(g) **Philippine allotments.**—The Government of the Commonwealth of the Philippine Islands shall make allotments of any quota established for it pursuant to the provisions of this chapter on the basis specified in section 1236 (d) of Title 48. (Sept. 1, 1937, ch. 898, title II, § 205, 50 Stat. 906.)

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 1116. Temporary quotas.

Section, act Sept. 1, 1937, ch. 898, title II, § 206, 50 Stat. 907, provided temporary sugar quotas until quotas for calendar year 1937 could be established, which was to be within sixty days after enactment of section.

§ 1117. Amount of quota to be filled by direct-consumption—

(a) **Hawaii.**—Not more than twenty-nine thousand six hundred and sixteen short tons, raw value, of the quota for Hawaii for each of the calendar years 1937, 1938, and 1939 may be filled by direct-consumption sugar; and not more than four thousand nine hundred and thirty-six short tons, raw value, of the quota for Hawaii for the calendar year 1940 may be filled, during the first two months of such year, by direct-consumption sugar. This subsection is hereby extended so that not more than twenty-nine thousand six hundred and sixteen short tons, raw value, of the quota for Hawaii for any calendar year may be filled by direct-consumption sugar: *Provided, however,* That the amount of said quota which may be filled by direct-consumption sugar for the calendar year 1940 shall not be less than the quantity of direct-consumption sugar from Hawaii actually brought into the continental United States, for consumption therein, after December 31, 1939, and up to and including October 15, 1940.

(b) **Puerto Rico.**—Not more than one hundred and twenty-six thousand and thirty-three short tons, raw value, of the quota for Puerto Rico for each of the calendar years 1937, 1938, and 1939 may be filled by direct-consumption sugar; and not more than twenty-one thousand and six short tons, raw value, of the quota for Puerto Rico for the calendar year 1940 may be filled, during the first two months of such year, by direct-consumption sugar. This subsection is hereby extended so that not more than one hundred and twenty-six thousand and thirty-three short tons, raw value, of the quota for Puerto Rico for any calendar year may

be filled by direct-consumption sugar: *Provided, however,* That the amount of said quota which may be filled by direct-consumption sugar for the calendar year 1940 shall not be less than the quantity of direct-consumption sugar from Puerto Rico actually brought into the continental United States, for consumption therein, after December 31, 1939, and up to and including October 15, 1940.

(c) **Virgin Islands.**—None of the quota for the Virgin Islands for any calendar year may be filled by direct-consumption sugar.

(d) **Philippine Islands.**—Not more than eighty thousand two hundred and fourteen short tons, raw value, of the quota for the Commonwealth of the Philippine Islands for any calendar year may be filled by direct-consumption sugar.

(e) **Cuba.**—Not more than three hundred and seventy-five thousand short tons raw value of the quota for Cuba for any calendar year may be filled by direct-consumption sugar.

(f) **Hawaiian and Puerto Rican local consumption.**—This section shall not apply with respect to the quotas established under section 1113 of this title for marketing for local consumption in Hawaii and Puerto Rico. (Sept. 1, 1937, ch. 898, title II, § 207, 50 Stat. 907; Oct. 15, 1940, ch. 887, §§ 4, 5, 54 Stat. 1178.)

§ 1118. **Liquid sugar foreign quotas.**—Quotas for liquid sugar for foreign countries for each calendar year are hereby established as follows:

Country	<i>In terms of wine gallons of 72% total sugar content</i>
Cuba.....	7,970,558
Dominican Republic.....	830,894
Other foreign countries.....	0

(Sept. 1, 1937, ch. 898, title II, § 208, 50 Stat. 908.)

Section as originally enacted contained a paragraph affecting the liquid sugar foreign quotas for calendar year 1937.

§ 1119. **Prohibited acts.**—All persons are hereby prohibited—

(a) **Importation in excess of foreign quotas.**—From bringing or importing into the continental United States from the Territory of Hawaii, Puerto Rico, the Virgin Islands, the Commonwealth of the Philippine Islands, or foreign countries, any sugar or liquid sugar after the quota for such area, or the proration of any such quota, has been filled;

(b) **Transportation in excess of domestic quota.**—From shipping, transporting, or marketing in interstate commerce, or in competition with sugar or liquid sugar shipped, transported, or marketed in interstate or foreign commerce, any sugar or liquid sugar produced from sugar beets or sugarcane grown in either the domestic-beet-sugar area or the mainland-cane-sugar area after the quota for such area has been filled;

(c) **Marketing in Hawaii and Puerto Rico in excess of quotas therefor.**—From marketing in either the Territory of Hawaii or Puerto Rico, for consumption therein, any sugar or liquid sugar after the quota therefor has been filled;

(d) **Exceeding allotments or prorations.**—From exceeding allotments of any quota or proration thereof made to them pursuant to the provisions of this chapter. (Sept. 1, 1937, ch. 898, title II, § 209, 50 Stat. 908.)

§ 1120. Terminology of determinations—(a) Raw value to govern.—The determinations provided for in sections 1111 and 1113 of this title, and all quotas, prorations, and allotments, except quotas established pursuant to the provisions of section 1118 of this title, shall be made or established in terms of raw value.

(b) Sugar to include liquid sugar.—For the purposes of this subchapter, liquid sugar, except that imported from foreign countries, shall be included with sugar in making the determinations provided for in sections 1111 and 1113 of this title and in the establishment or revision of quotas, prorations, and allotments. (Sept. 1, 1937, ch. 898, title II, § 210, 50 Stat. 908.)

§ 1121. Credit against quota; nature of sugar for domestic quota—(a) Credit upon exportation of imported sugar.—The raw-value equivalent of any sugar or liquid sugar in any form, including sugar or liquid sugar in manufactured products, exported from the continental United States under the provisions of section 1313 of Title 19 shall be credited against any charges which shall have been made in respect to the applicable quota or proration for the country of origin. The country of origin of sugar or liquid sugar in respect to which any credit shall be established shall be that country in respect to importation from which drawback of the exported sugar or liquid sugar has been claimed. Sugar or liquid sugar entered into the continental United States under an applicable bond established pursuant to orders or regulations issued by the Secretary, for the express purpose of subsequently exporting the equivalent quantity of sugar or liquid sugar as such, or in manufactured articles, shall not be charged against the applicable quota or proration for the country of origin.

(b) Exportation defined.—Exportation within the meaning of sections 1309 and 1313 of Title 19 shall be considered to be exportation within the meaning of this section.

(c) Domestic quota to be filled with products of local beets and cane.—The quota established for any domestic sugar producing area may be filled only with sugar or liquid sugar produced from sugar beets or sugarcane grown in such area: *Provided, however,* That any sugar or liquid sugar admitted free of duty from the Virgin Islands under section 1394 of Title 48 may be admitted within the quota for the Virgin Islands. (Sept. 1, 1937, ch. 898, title II, § 211, 50 Stat. 909.)

§ 1122. Exceptions to quota provisions.—The provisions of this subchapter shall not apply to (1) the first ten short tons, raw value, of sugar or liquid sugar imported from any foreign country, other than Cuba, in any calendar year; (2) the first ten short tons, raw value, of sugar or liquid sugar imported from any foreign country, other than Cuba, in any calendar year for religious, sacramental, educational, or experimental purposes; (3) liquid sugar imported from any foreign country, other than Cuba, in individual sealed container of such capacity as the Secretary may determine, not in excess of one and one-tenth gallons each; or (4) any sugar or liquid sugar imported, brought into, or produced or manufactured in the United States for the distillation of alcohol, or for livestock feed, or for the production

of livestock feed. (Sept. 1, 1937, ch. 898, title II, § 212, 50 Stat. 909.)

PROCLAMATION No. 2551

April 13, 1942, 7 F. R. 2826

SUSPENSION OF OPERATION OF SECTIONS 1111-1122

Proclamation provided in part:

"Whenever the President finds and proclaims that a national economic or other emergency exists with respect to sugar or liquid sugar, he shall by proclamation suspend the operation of title II or III above, which he determines, on the basis of such findings, should be suspended, and, thereafter, the operation of any such title shall continue in suspense until the President finds and proclaims that the facts which occasioned such suspension no longer exist . . ."; and

"WHEREAS the outbreak of war has resulted in dislocation of sugar supplies from certain customary sources; and a shortage of sugar required to meet the needs of consumers; and

"WHEREAS such dislocation of supplies has brought about a shortage of sugar required to meet the needs of consumers; and

"WHEREAS it is possible to obtain sugar from areas not included, or not adequately included, in the quota provisions of that Act:

"NOW, THEREFORE, I, FRANKLIN D. ROOSEVELT, President of the United States of America, acting under and by virtue of the authority vested in me by the foregoing provision of the Sugar Act of 1937, as amended, do hereby find and proclaim that a national economic emergency exists with respect to sugar and do by this proclamation suspend the operation of title II of that Act."

SUBCHAPTER III.—CONDITIONAL-PAYMENT PROVISIONS

§ 1131. Conditions of production.—The Secretary is authorized to make payments on the following conditions with respect to sugar or liquid sugar commercially recoverable from the sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar:

(a) **Child labor.**—That no child under the age of fourteen years shall have been employed or permitted to work on the farm, whether for gain to such child or any other person, in the production, cultivation, or harvesting of a crop of sugar beets or sugar cane with respect to which application for payment is made, except a member of the immediate family of a person who was the legal owner of not less than 40 per centum of the crop at the time such work was performed; and that no child between the ages of fourteen and sixteen years shall have been employed or permitted to do such work, whether for gain to such child or any other person, for a longer period than eight hours in any one day, except a member of the immediate family of a person who was the legal owner of not less than 40 per centum of the crop at the time such work was performed. The Secretary is authorized to make payments, notwithstanding a failure to comply with the conditions provided in this subsection, but the payment made with respect to any crop shall be subject to a deduction of \$10 for each child for each day, or a portion of a day, during which such child was employed or permitted to work contrary to the foregoing provisions of this subsection, in the 1940, and subsequent crops.

(b) **Wage standards.**—That all persons employed on the farm in the production, cultivation, or harvesting of sugar beets or sugarcane with respect to which an application for payment is made shall have been paid in full for all such work, and shall

have been paid wages therefor at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing; and in making such determinations the Secretary shall take into consideration the standards therefor formerly established by him under sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, and the differences in conditions among various producing areas: *Provided, however,* That a payment which would be payable except for the foregoing provisions of this subsection may be made, as the Secretary may determine, in such manner that the laborer will receive an amount, insofar as such payment will suffice, equal to the amount of the accrued unpaid wages for such work, and that the producer will receive the remainder, if any, of such payment.

(c) Proportionate share production.—That there shall not have been marketed (or processed) an amount (in terms of planted acreage, weight, or recoverable sugar content) of sugar beets or sugarcane grown on the farm and used for the production of sugar or liquid sugar to be marketed in, or so as to compete with or otherwise directly affect interstate or foreign commerce, in excess of the proportionate share for the farm, as determined by the Secretary pursuant to the provisions of section 1132 of this title, of the total quantity of sugar beets or sugarcane required to be processed to enable the area in which such sugar beets or sugarcane are produced to meet the quota (and provide a normal carry-over inventory) as estimated by the Secretary for such area for the calendar year during which the larger part of the sugar or liquid sugar from such crop normally would be marketed.

(d) Payment of producer by processor.—That the producer on the farm who is also, directly or indirectly, a processor of sugar beets or sugarcane, as may be determined by the Secretary, shall have paid, or contracted to pay under either purchase or toll agreements, for any sugar beets or sugarcane grown by other producers and processed by him at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing.

(e) Soil preservation.—That there shall have been carried out on the farm such farming practices in connection with the production of sugar beets and sugarcane during the year in which the crop was harvested with respect to which a payment is applied for, as the Secretary may determine, pursuant to this subsection, for preserving and improving fertility of the soil and for preventing soil erosion, such practices to be consistent with the reasonable standards of the farming community in which the farm is situated.

The conditions provided in subsection (a) and in subsection (b) with respect to wage rates, of this section shall not apply to work performed prior to the enactment of this chapter; and the condition provided in subsection (c) of this section shall not apply to the marketing of the first crop harvested after the enactment of this chapter from sugar beets or sugarcane planted prior to such enactment. (Sept. 1, 1937, ch. 898, title III, § 301,

50 Stat. 909; June 25, 1940, ch. 423, 54 Stat. 571; Dec. 26, 1941, ch. 638, § 2, 55 Stat. 872.)

PAYMENTS TO MAINLAND PRODUCERS FOR 1940 CROPS EXCEEDING
PROPORTIONATE SHARES

Res. Oct. 10, 1940, ch. 839, § 1, 54 Stat. 1092, provided: "That no payment under the Sugar Act of 1937 with respect to the 1940 crop shall be withheld from any producer in the mainland cane-sugar area, because of the marketing (or processing) of sugarcane in excess of the proportionate share for the farm, if the acreage of sugarcane grown on the farm and marketed (or processed) for sugar in the crop year 1940 is not in excess of the acreage of sugarcane for sugar planted prior to January 1, 1940 but payments shall be made only with respect to the proportionate share acreage established for the farm under the provisions of such Act, and the following deductions shall be made from such payments, on account of any acreage of sugarcane grown on the farm and marketed (or processed) for sugar in the crop year 1940 which is in excess of (1) 110 per centum of the proportionate share for the farm, or (2) the proportionate share for the farm plus twenty-five acres, whichever is the greater; for so much of such excess as does not exceed five hundred acres, a deduction of \$10 per acre; for so much of such excess as exceeds five hundred acres, a deduction of \$20 per acre: *Provided*, That the foregoing provision shall be effective only if the Secretary determines that the actual production from the 1940 crop acreage shall not exceed the estimated production of the 1940 proportionate share acreage of five hundred and five thousand tons."

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 1132. Quantity of sugar; time for payments—(a) Amount as determined by Secretary.—The amount of sugar or liquid sugar with respect to which payment may be made shall be the amount of sugar or liquid sugar commercially recoverable, as determined by the Secretary, from the sugar beets or sugarcane grown on the farm and marketed (or processed by the producer) not in excess of the proportionate share for the farm, as determined by the Secretary, of the quantity of sugar beets or sugarcane for the extraction of sugar or liquid sugar required to be processed to enable the producing area in which the crop of sugar beets or sugarcane is grown to meet the quota (and provide a normal carryover inventory) estimated by the Secretary for such area for the calendar year during which the larger part of the sugar or liquid sugar from such crop normally would be marketed.

(b) Determination of proportionate share of farm.—In determining the proportionate shares with respect to a farm, the Secretary may take into consideration the past production on the farm of sugar beets and sugarcane marketed (or processed) for the extraction of sugar or liquid sugar and the ability to produce such sugar beets or sugarcane, and the Secretary shall, insofar as practicable, protect the interests of new producers and small producers and the interest of producers who are cash tenants, share-tenants, adherent planters, or share-croppers.

(c) Date payments to commence.—Payments shall be effective with respect to sugar or liquid sugar commercially recoverable from sugar beets and sugarcane grown on a farm and which shall have been marketed (or processed by the producer) on and

after July 1, 1937. (Sept. 1, 1937, ch. 898, title III, § 302, 50 Stat. 910.)

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 1133. Acreage abandonment and crop deficiency.—In addition to the amount of sugar or liquid sugar with respect to which payments are authorized under subsection (a) of section 1132 of this title, the Secretary is also authorized to make payments, on the conditions provided in section 1131 of this title, with respect to bona-fide abandonment of planted acreage and crop deficiencies of harvested acreage, resulting from drought, flood, storm, freeze, disease, or insects, which cause such damage to all or a substantial part of the crop of sugar beets or sugarcane in the same factory district (as established by the Secretary), county, parish, municipality, or local producing area, as determined in accordance with regulations issued by the Secretary, on the following quantities of sugar or liquid sugar: (1) With respect to such bona-fide abandonment of each planted acre of sugar beets or sugarcane, one-third of the normal yield of commercially recoverable sugar or liquid sugar per acre for the farm, as determined by the Secretary; and (2) with respect to such crop deficiencies of harvested acreage of sugar beets or sugarcane, the excess 80 per centum of the normal yield of commercially recoverable sugar or liquid sugar for such acreage for the farm, as determined by the Secretary, over the actual yield. (Sept. 1, 1937, ch. 898, title III, § 303, 50 Stat. 911.)

§ 1134. Computation of payments; recipients thereof—(a) Base rates.—The amount of the base rate of payment shall be 80 cents per hundred pounds of sugar or liquid sugar, raw value.

(b) Farm unit as basis of calculation.—All payments shall be calculated with respect to a farm which, for the purposes of this chapter, shall be a farming unit as determined in accordance with regulations issued by the Secretary, and in making such determinations, the Secretary shall take into consideration the use of common work stock, equipment, labor, management, and other pertinent factors.

(c) Total payment.—The total payment with respect to a farm shall be the product of the base rate specified in subsection (a) of this section multiplied by the amount of sugar and liquid sugar, raw value, with respect to which payment is to be made, except that reduction shall be made from such total payment in accordance with the following scale of reductions:

That portion of the quantity of sugar and liquid sugar which is included within the following intervals of short tons, raw value:

Reduction in the base rate of payment per hundredweight of such portion:

350 to 700.....	\$0.05
700 to 1,000.....	.10
1,000 to 1,500.....	.20
1,500 to 3,000.....	.25
3,000 to 6,000.....	.275
6,000 to 12,000.....	.30
12,000 to 30,000.....	.325
More than 30,000.....	.50

(d) **Persons entitled to payments.**—Application for payment shall be made by, and payments shall be made to, the producer or, in the event of his death, disappearance, or incompetency, his legal representative, or heirs: *Provided, however,* That all producers on the farm shall signify in the application for payment the per centum of the total payment with respect to the farm to be made to each producer: *And provided further,* That payments may be made, (1) in the event of the death, disappearance, or incompetency of a producer, to such beneficiary as the producer may designate in the application for payment; (2) to one producer of a group of two or more producers, provided all producers on the farm designate such producer in the application for payment as sole recipient for their benefit of the payment with respect to the farm; or (3) to a person who is not a producer, provided such person controls the land included within the farm with respect to which the application for payment is made and is designated by the sole producer (or all producers) on the farm, as sole recipient for his or their benefit, of the payment with respect to the farm. (Sept. 1, 1937, ch. 898, title III, § 304, 50 Stat. 911; Dec. 26, 1941, ch. 638, § 3, 55 Stat.)

§ 1135. **Cooperation with Secretary by certain agencies**—In carrying out the provisions of Subchapters II and III of this chapter, the Secretary is authorized to utilize local committees of sugar beet or sugarcane producers, State and county agricultural conservation committees, or the Agricultural Extension Service and other agencies, and the Secretary may prescribe that all or a part of the expenses of such committees may be deducted from the payments herein authorized. (Sept. 1, 1937, ch. 898, title III, § 305, 50 Stat. 912.)

§ 1136. **Finality of Secretary's determinations.**—The facts constituting the basis for any payment, or the amount thereof authorized to be made under this subchapter, officially determined in conformity with rules or regulations prescribed by the Secretary, shall be reviewable only by the Secretary, and his determinations with respect thereto shall be final and conclusive. (Sept. 1, 1937, ch. 898, title III, § 306, 50 Stat. 912.)

§ 1137. **Territorial application.**—This subchapter shall apply to the continental United States, the Territory of Hawaii, Puerto Rico, and the Virgin Islands. (As amended Dec. 26, 1941, ch. 638, § 4 (a), 55 Stat. 873.)

SUBCHAPTER V.—GENERAL PROVISIONS

§ 1171. **Powers of Secretary.**—For the purposes of this chapter, except Subchapter IV, the Secretary shall—

(a) **Appointment of officers and employees.**—Appoint and fix the compensation of such officers and employees as he may deem necessary in administering the provisions of this chapter: *Provided,* That all such officers and employees, except attorneys, economists, experts, and persons in the employ of the Department of Agriculture on the date of the enactment of this chapter, shall be subject to the provisions of the civil-service laws and

sections 661-663, 664-673, 674 of Title 5: *And provided further*, That no salary in excess of \$10,000 per annum shall be paid to any such person.

(b) **Expenditures.**—Make such expenditures as he deems necessary to carry out the provisions of this chapter, including personal services and rents in the District of Columbia and elsewhere, traveling expenses (including the purchase, maintenance, and repair of passenger-carrying vehicles), supplies and equipment, law books, books of reference, directories, periodicals, and newspapers. (Sept. 1, 1937, ch. 898, title V, § 501, 50 Stat. 915.)

§ 1172. **Financial provisions—(a) Annual appropriation.**—There is hereby authorized to be appropriated for each fiscal year for the purpose and administration of this chapter, except for allotments in the Philippine Islands as provided in subsection (g) of section 1115, a sum not to exceed \$55,000,000.

(b) **Availability of funds.**—All funds available for carrying out this chapter shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal Government as the Secretary may request to cooperate or assist in carrying out the provisions of this chapter. (Sept. 1, 1937, ch. 898, title V, § 502, 50 Stat. 915.)

§ 1173. **Appropriation for financing Philippine program of economic adjustment.**—There is authorized to be appropriated an amount equal to the amount of the taxes collected or accrued under subchapter IV on sugars produced from sugarcane grown in the Commonwealth of the Philippine Islands which are manufactured in or brought into the United States on or prior to June 30, 1947, minus the costs of collecting such taxes and the estimates of amounts of refunds required to be made with respect to such taxes, for transfer to the Government of the Commonwealth of the Philippines for the purpose of financing a program of economic adjustment in the Philippines, the transfer to be made under such terms and conditions as the President of the United States may prescribe: *Provided*, That no part of the appropriations herein authorized shall be paid directly or indirectly for the production or processing of sugarcane in the Philippine Islands. (As amended Dec. 26, 1941, ch. 638, § 6, 55 Stat. 873; June 20, 1944, ch. 266, § 2, 58 Stat. 284.)

AMENDMENTS

1944—Act June 20, 1944, cited to text, amended section by striking out "June 30, 1945" and inserting in lieu thereof "June 30, 1947."

1941—Act Dec. 26, 1941, cited to text, substituted "June 30, 1945" for "June 30, 1942".

CROSS REFERENCES

Payment of any moneys appropriated after August 7, 1939, by virtue of **accruals of excise and import taxes** prior to July 4, 1946, into Treasury of the Philippines, see section 1248 (a) of Title 48, Territories and Insular Possessions.

Provisions specifying purpose for which appropriations could be used and manner and condition of transfer not applicable to any moneys appropriated on or after January 1, 1939, and to that extent repealed, see section 1248 (c) of Title 48, Territories and Insular Possessions.

Proviso restriction, continuance in full force and effect, see section 1248 (c) of Title 48, Territories and Insular Possessions.

§ 1174. Rules and regulations; violation.—The Secretary is authorized to make such orders or regulations, which shall have the force and effect of law, as may be necessary to carry out the powers vested in him by this chapter. Any person knowingly violating any order or regulation of the Secretary issued pursuant to this chapter shall, upon conviction, be punished by a fine of not more than \$100 for each such violation. (Sept. 1, 1937, ch. 898, title V, § 504, 50 Stat. 915.)

§ 1175. Jurisdiction of courts.—The several district courts of the United States are hereby vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, the provisions of this chapter. If and when the Secretary shall so request, it shall be the duty of the several district attorneys of the United States, in their respective districts, to institute proceedings to enforce the remedies and to collect the penalties and forfeitures provided for in this chapter. The remedies provided for in this chapter shall be in addition to, and not exclusive of, any of the remedies or penalties existing at law or in equity. (Sept. 1, 1937, ch. 898, title V, § 505, 50 Stat. 915.)

§ 1176. Forfeitures.—Any person who knowingly violates, or attempts to violate, or who knowingly participates or aids in the violation of, any of the provisions or section 1119 of this title, or any person who brings or imports into the continental United States direct-consumption sugar after the quantities specified in section 1117 of this title have been filled, shall forfeit to the United States the sum equal to three times the market value, at the time of the commission of any such, (a) of that quantity of sugar or liquid sugar by which any quota, proration, or allotment is exceeded, or (b) of that quantity brought or imported into the continental United States after the quantities specified in section 1117 of this title have been filled, which forfeiture shall be recoverable in a civil suit brought in the name of the United States. (Sept. 1, 1937, ch. 898, title V, § 506, 50 Stat. 915.)

§ 1177. Duty to furnish information; penalty.—All persons engaged in the manufacturing, marketing, or transportation of sugar or liquid sugar, and having information which the Secretary deems necessary to enable him to administer the provisions of this chapter, shall, upon the request of the Secretary, furnish him with such information. Any person willfully failing or refusing to furnish such information, or furnishing willfully any false information, shall upon conviction be subject to a penalty of not more than \$1,000 for each such violation. (Sept. 1, 1937, ch. 898, title V, § 507, 50 Stat. 916.)

§ 1178. Sugar investments by officials prohibited; penalty.

Subject matter of this section, act September 1, 1937, ch. 898, title V, § 508, 50 Stat. 916, is now covered by section 3506 of Title 26, Internal Revenue Code.

§ 1179. Emergency; powers of President.—Whenever the President finds and proclaims that a national economic or other emergency exists with respect to sugar or liquid sugar, he shall by proclamation suspend the operation of Subchapter II or III above, which he determines, on the basis of such findings, should

be suspended, and, thereafter, the operation of any such title shall continue in suspense until the President finds and proclaims that the facts which occasioned such suspension no longer exist. The Secretary shall make such investigations and reports thereon to the President as may be necessary to aid him in carrying out the provisions of this section. (Sept. 1, 1937, ch. 898, title V, § 509, 50 Stat. 916.)

CONDITIONAL PAYMENTS UNDER 1940 PROGRAM

Act June 25, 1940, ch. 421, 54 Stat. 563 provided that conditional payments in connection with the 1940 sugar program should not be made if, by proclamation under this section, sections 1111-1122, 1131-1137 of this title should have been suspended and should remain suspended until July 1, 1940. Quota provisions of this chapter were temporarily suspended by proclamation of the President on September 11, 1939, but were restored by Presidential proclamation on December 26, 1939. Provisions did not remain suspended until July 1, 1940, under act June 25, 1940, ch. 421, 54 Stat. 563, and hence the 1940 conditional payment program was not suspended.

§ 1180. Laws ineffective.—The provisions of sections 601-608, 608a-608c, 608d-612, 613-619, 620, 623, 624 of this title, shall cease to apply to sugar upon the enactment of this chapter. (Sept. 1, 1937, ch. 898, title V, § 510, 50 Stat. 916.)

CODIFICATION

Section as originally enacted contained provision repealing sections 608a-1, 613a of this title.

§ 1181. Surveys and investigations by Secretary of producer-processor and producer-laborer contracts.—In order to facilitate the effectuation of the purposes of this chapter, the Secretary is authorized to make surveys, investigations, including the holding of public hearings, and to make recommendations with respect to (a) the terms and conditions of contracts between the producers and processors of sugar beets and sugarcane and (b) the terms and conditions of contracts between laborers and producers of sugar beets and sugarcane. (Sept. 1, 1937, ch. 898, title V, § 511, 50 Stat. 916.)

§ 1182. Same; of general conditions and factors; publication of information.—The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting the methods of accomplishing most effectively the purposes of this chapter and for the benefit of agriculture generally in any area. Notwithstanding any provision of existing law, the Secretary is authorized to make public such information as he deems necessary to carry out the provisions of this chapter. (Sept. 1, 1937, ch. 898, title V, § 512, 50 Stat. 916.)

§ 1183. Termination of chapter.—The powers vested in the Secretary under this chapter shall terminate on December 31, 1946, except that the Secretary shall have power to make payments under Subchapter III under programs applicable to the crop year 1946 and previous crop years. (Sept. 1, 1937, ch. 898, title V, § 513, 50 Stat. 916; Oct. 15, 1940, ch. 887, § 1, 54 Stat. 1178; Dec. 26, 1941, ch. 638, § 1, 55 Stat. 872; June 20, 1944, ch. 266, § 1, 58 Stat. 283.)

Chapter 35—AGRICULTURAL ADJUSTMENT ACT OF 1938
GENERAL PROVISIONS

§ 1281. Short title.—This chapter may be cited as the “Agricultural Adjustment Act of 1938”. (Feb. 16, 1938, 3 p. m., ch. 30, § 1, 52 Stat. 31.)

Agricultural Adjustment Act of 1938 also amended sections 590h and 590o of Title 16, Conservation.

§ 1282. Declaration of policy.—It is hereby declared to be the policy of Congress to continue sections 590a-590q of Title 16, for the purpose of conserving national resources, preventing the wasteful use of soil fertility, and of preserving, maintaining, and rebuilding the farm and ranch land resources in the national public interest; to accomplish these purposes through the encouragement of soil-building and soil-conserving crops and practices; to assist in the marketing of agricultural commodities for domestic consumption and for export; and to regulate interstate and foreign commerce in cotton, wheat, corn, tobacco, and rice to the extent necessary to provide an orderly, adequate, and balanced flow of such commodities in interstate and foreign commerce through storage of reserve supplies, loans, marketing quotas, assisting farmers to obtain, insofar as practicable, parity prices for such commodities and parity of income, and assisting consumers to obtain an adequate and steady supply of such commodities at fair prices. (Feb. 16, 1938, 3 p. m., ch. 30, § 2, 52 Stat. 31.)

TRANSFER OF FUNCTIONS

The functions of Soil Conservation Service in Department of Agriculture with respect to soil and moisture conservation operations conducted on lands under jurisdiction of Department of Interior were transferred to Department of Interior, to be administered under direction and supervision of Secretary of Interior through such agency or agencies in Department of Interior as Secretary shall designate, by Reorganization Plan No. IV, § 6, effective June 30, 1940, set out in note under section 133t of Title 5. See, also, sections 13-15 of said plan for provisions relating to transfer of functions of department heads, records, property, personnel, and funds.

Soil Conservation Service and Agricultural Adjustment Administration consolidated with other agencies into Agricultural Conservation and Adjustment Administration for duration of war, see Ex. Ord. No. 9069, set out in note under section 601 of Appendix to Title 50, War.

SUBCHAPTER I—ADJUSTMENT IN FREIGHT RATES, NEW USES AND
MARKETS, AND DISPOSITION OF SURPLUSES

§ 1291. Adjustments in freight rates—(a) Complaints by Secretary of Agriculture; notice of hearings.—The Secretary of Agriculture is authorized to make complaint to the Interstate Commerce Commission with respect to rates, charges, tariffs, and practices relating to the transportation of farm products, and to prosecute the same before the Commission. Before hearing or disposing of any complaint (filed by any person other than the Secretary) with respect to rates, charges, tariffs, and practices relating to the transportation of farm products, the Commission shall cause the Secretary to be notified, and, upon application by the Secretary, shall permit the Secretary to appear and be heard.

(b) **Secretary as party to proceedings.**—If such rate, charge, tariff, or practice complained of is one affecting the public interest, upon application by the Secretary, the Commission shall make the Secretary a party to the proceedings. In such case the Secretary shall have the rights of a party before the Commission and the rights of a party to invoke and pursue original and appellate judicial proceedings involving the Commission's determination. The liability of the Secretary in any such case shall extend only to liability for court costs.

(c) **Utilization of records, services, etc., of Department of Agriculture.**—For the purposes of this section, the Interstate Commerce Commission is authorized to avail itself of the cooperation, records, services, and facilities of the Department of Agriculture.

(d) **Cooperation with complaining farm associations.**—The Secretary is authorized to cooperate with and assist cooperative associations of farmers making complaint to the Interstate Commerce Commission with respect to rates, charges, tariffs, and practices relating to the transportation of farm products. (Feb. 16, 1938, 3 p. m., ch. 30, title II, § 201, 52 Stat. 36.)

§ 1292. **New uses and markets for commodities**—(a) **Regional research laboratories, establishment.**—The Secretary is hereby authorized and directed to establish, equip, and maintain four regional research laboratories, one in each major farm producing area, and, at such laboratories, to conduct researches into and to develop new scientific, chemical, and technical uses and new and extended markets and outlets for farm commodities and products and by products thereof. Such research and development shall be devoted primarily to those farm commodities in which there are regular or seasonal surpluses, and their products and byproducts.

(b) **Acquisition of land for laboratories; donations.**—For the purposes of subsection (a), the Secretary is authorized to acquire land and interests therein, and to accept in the name of the United States donations of any property, real or personal, to any laboratory established pursuant to this section, and to utilize voluntary or uncompensated services at such laboratories. Donations to any one of such laboratories shall not be available for use by any other of such laboratories.

(c) **Cooperation with governmental agencies, associations, etc.**—In carrying out the purposes of subsection (a), the Secretary is authorized and directed to cooperate with other departments or agencies of the Federal Government, States, State agricultural experiment stations, and other State agencies and institutions, counties, municipalities, business or other organizations, corporations, associations, universities, scientific societies, and individuals, upon such terms and conditions as he may prescribe.

(d) **Appropriation for purpose of subsection (a).**—To carry out the purposes of subsection (a), the Secretary is authorized to utilize in each fiscal year, beginning with the fiscal year beginning July 1, 1938, a sum not to exceed \$4,000,000 of the funds appropriated pursuant to section 1391 of this title, or section 5900 of Title 16, as amended, for such fiscal year. The Secre-

tary shall allocate one-fourth of such sum annually to each of the four laboratories established pursuant to the section.

(e) Report to Congress.—The Secretary shall make a report to Congress at the beginning of each regular session of the activities of, expenditures by, and donations to the laboratories established pursuant to subsection (a).

(f) Appropriation to Secretary of Commerce.—There is hereby allocated to the Secretary of Commerce for each fiscal year, beginning with the fiscal year beginning July 1, 1938, out of funds appropriated for such fiscal year pursuant to section 1391 of this title, or section 590o of Title 16, as amended, the sum of \$1,000,000 to be expended for the promotion of sale of farm commodities and products thereof in such manner as shall direct. Of the sum allocated under this subsection to the Secretary of Commerce for the fiscal year beginning July 1, 1938, \$100,000 shall be devoted to making a survey and investigation of the cause or causes of the reduction in exports of agricultural commodities from the United States, in order to ascertain methods by which the sales in foreign countries of basic agricultural commodities produced in the United States may be increased.

(g) Duty of Secretary.—It shall be the duty of the Secretary to use available funds to stimulate and widen the use of all farm commodities in the United States and to increase in every practical way the flow of such commodities and the products thereof into the markets of the world. (Feb. 16, 1938, 3 p. m., ch. 30, title II, § 202, 52 Stat. 37.)

SUBCHAPTER II—LOANS, PARITY PAYMENTS, CONSUMER SAFEGUARDS, AND MARKETING QUOTAS

A. DEFINITION, LOANS, PARITY PAYMENTS, AND CONSUMER SAFEGUARDS

§ 1301. Definitions—(a) General definitions.—For the purposes of this subchapter and the declaration of policy—

(1) "Parity", as applied to prices for any agricultural commodity, shall be that price for the commodity which will give to the commodity a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of such commodity in the base period; and, in the case of all commodities for which the base period is the period August 1909 to July 1914, which will also reflect current interest payments per acre on farm indebtedness secured by real estate, tax payments per acre on farm real estate, and freight rates, as contrasted with such interest payments, tax payments, and freight rates during the base period. The base period in case of all agricultural commodities except tobacco shall be the period August 1909 to July 1914. In the case of all kinds of tobacco except Burley and flue-cured such base period shall be the period August 1919 to July 1929, and, in the case of Burley and flue-cured tobacco, shall be the period August 1934 to July 1939; except that the August 1919-July 1929 base period shall be used in allocating any funds appropriated prior to September 1, 1940.

(2) "Parity", as applied to income, shall be that per capita net income of individuals on farms from farming operations that bears to the per capita net income of individuals not on farms the same relation as prevailed during the period from August 1909 to July 1914.

(3) The term "interstate and foreign commerce" means sale, marketing, trade, and traffic between any State or Territory or the District of Columbia or Puerto Rico, and any place outside thereof; or between points within the same State or Territory or within the District of Columbia or Puerto Rico, through any place outside thereof; or within any Territory or within the District of Columbia or Puerto Rico.

(4) The term "affect interstate and foreign commerce" means, among other things, in such commerce, or to burden or obstruct such commerce or the free and orderly flow thereof; or to create or tend to create a surplus of any agricultural commodity which burdens or obstructs such commerce or the free and orderly flow thereof.

(5) The term "United States" means the several States and Territories and the District of Columbia and Puerto Rico.

(6) The term "State" includes a Territory and the District of Columbia and Puerto Rico.

(7) The term "Secretary" means the Secretary of Agriculture, and the term "Department" means the Department of Agriculture.

(8) The term "person" means an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or any agency of a State.

(9) The term "corn" means field corn.

(b) **Definitions applicable to one or more commodities.**—For the purposes of this subchapter—(1) (A) "Actual production" as applied to any acreage of corn means the number of bushels of corn which the local committee determines would be harvested as grain from such acreage if all the corn on such acreage were so harvested. In case of a disagreement between the farmer and the local committee as to the actual production of the acreage of corn on the farm, or in case the local committee determines that such actual production is substantially below normal, the local committee, in accordance with regulations of the Secretary, shall weigh representative samples of ear corn taken from the acreage involved, make proper deductions for moisture content, and determine the actual production of such acreage on the basis of such samples.

(B) "Actual production" of any number of acres of cotton or peanuts on a farm means the actual average yield for the farm times such number of acres.

(2) "Bushel" means in the case of ear corn that amount of ear corn, including not to exceed $15\frac{1}{2}$ per centum of moisture content, which weighs seventy pounds, and in the case of shelled corn, means that amount of shelled corn including not to exceed $15\frac{1}{2}$ per centum of moisture content, which weighs fifty-six pounds.

(3) (A) "Carry-over", in the case of corn and rice, for any marketing year shall be the quantity of the commodity on hand

in the United States at the beginning of such marketing year, which was produced in the United States prior to the beginning of the calendar year then current.

(B) "Carry-over" of cotton for any marketing year shall be the quantity of cotton on hand either within or without the United States at the beginning of such marketing year, which was produced in the United States prior to the beginning of the calendar year then current.

(C) "Carry-over" of tobacco for any marketing year shall be the quantity of such tobacco on hand in the United States at the beginning of such marketing year, which was produced in the United States prior to the beginning of the calendar year then current, except that it shall not include any amount of such tobacco of the 1939 and 1940 crops which the Secretary determines is stored temporarily in the United States because of war or other unusual conditions delaying the normal exportation thereof, and except that in the case of cigar-filler and cigar-binder tobacco the quantity of type 46 on hand and theretofore produced in the United States during such calendar year shall also be included.

(D) "Carry-over" of wheat, for any marketing year shall be the quantity of wheat on hand in the United States at the beginning of such marketing year, not including any wheat which was produced in the United States during the calendar year then current, and not including any wheat held by the Federal Crop Insurance Corporation under sections 1501-1518 of this title.

(4) (A) "Commercial corn-producing area" shall include all counties in which the average production of corn (excluding corn used as silage) during the ten calendar years immediately preceding the calendar year for which such area is determined, after adjustment for abnormal weather conditions, is four hundred and fifty bushels or more per farm and four hundred and fifty bushels or more for each acre of farm land in the county.

(B) Whenever prior to February 1 of any calendar year the Secretary has reason to believe that any county which is not included in the commercial corn-producing area determined pursuant to the provisions of subparagraph (A), but which borders upon one of the counties in such area, or that any minor civil division in a county bordering on such area, is producing (excluding corn used for silage) an average of at least four hundred and fifty bushels of corn per farm and an average of at least four bushels for each acre of farm land in the county or in the minor civil division, as the case may be, he shall cause immediate investigation to be made to determine such fact. If, upon the basis of such investigation, the Secretary finds that such county or minor civil division is likely to produce corn in such average amounts during such calendar year, he shall proclaim such determination, and, commencing with such calendar year, such county shall be included in the commercial corn-producing area. In the case of a county included in the commercial corn-producing area pursuant to this subparagraph, whenever prior to February 1 of any calendar year the Secretary has reason to believe that facts justifying the inclusion of such county are not likely to

exist in such calendar year, he shall cause an immediate investigation to be made with respect thereto. If, upon the basis of such investigation, the Secretary finds that such facts are not likely to exist in such calendar year, he shall proclaim such determination, and commencing with such calendar year, such county shall be excluded from the commercial corn-producing area.

(5) "Farm consumption" of corn means consumption by the farmer's family, employees, or household, or by his work stock; or consumption by poultry or livestock on his farm if such poultry or livestock, or the products thereof, are consumed or to be consumed by the farmer's family, employees, or household.

(6) (A) "Market", in the case of corn, cotton, rice, tobacco, and wheat, means to dispose of, in raw or processed form, by voluntary or involuntary sale, barter, or exchange, or by gift inter vivos, and, in the case of corn and wheat, by feeding (in any form) to poultry or livestock which, or the products of which, are sold, bartered, or exchanged, or to be so disposed of, but does not include disposing of any of such commodities as premium to the Federal Crop Insurance Corporation under sections 1501-1518 of this title.

(B) "Marketed", "marketing", and "for market" shall have corresponding meanings to the term "market" in the connection in which they are used.

(C) "Market", in the case of peanuts, means to dispose of peanuts, including farmers' stock peanuts, shelled peanuts, cleaned peanuts, or peanuts in processed form, by voluntary or involuntary sale, barter, or exchange, or by gift inter vivos.

(D) "Marketed", "marketing", and "for market" shall have corresponding meanings to the term "market" in the connection in which they are used.

(7) "Marketing year" means, in the case of the following commodities, the period beginning on the first and ending with the second date specified below:

Corn, October 1-September 30;

Cotton, August 1-July 31;

Rice, August 1-July 31;

Tobacco (flue-cured), July 1-June 30;

Tobacco (other than flue-cured), October 1-September 30;

Wheat, July 1-June 30.

(8) "National average yield" as applied to cotton or wheat shall be the national average yield per acre of the commodity during the ten calendar years in the case of wheat, and during the five calendar years in the case of cotton, preceding the year in which such national average yield is used in any computation authorized in this subchapter, adjusted for abnormal weather conditions and, in the case of wheat, but not in the case of cotton, for trends in yields.

(9) "Normal production" as applied to any number of acres of corn, cotton, or wheat means the normal yield for the farm times such number of acres.

(10) (A) "Normal supply" in the case of corn, cotton, rice, and wheat shall be a normal year's domestic consumption and exports of the commodity plus 7 per centum in the case of corn, 40 per centum in the case of cotton, 10 per centum in the case of

rice, and 15 per centum in the case of wheat, of a normal year's domestic consumption and exports, as an allowance for a normal carry-over.

(B) The "normal supply" of tobacco shall be a normal year's domestic consumption and exports plus 175 per centum of a normal year's domestic consumption and 65 per centum of a normal year's exports as an allowance for a normal carry-over.

(11) (A) "Normal year's domestic consumption", in the case of corn and wheat, shall be the yearly average quantity of the commodity, wherever produced, that was consumed ¹ in the United States during the ten marketing years immediately preceding the marketing year in which such consumption is determined, adjusted for current trends in such consumption.

(B) "Normal year's domestic consumption", in the case of cotton and tobacco, shall be the yearly average quantity of the commodity produced in the United States that was consumed in the United States during the ten marketing years immediately preceding the marketing year in which such consumption is determined, adjusted for current trends in such consumption.

(C) "Normal year's domestic consumption", in the case of rice, shall be the yearly average quantity of rice produced in the United States that was consumed in the United States during the five marketing years immediately preceding the marketing year in which such consumption is determined, adjusted for current trends in such consumption.

(12) "Normal year's exports" in the case of corn, cotton, rice, tobacco, and wheat shall be the yearly average quantity of the commodity produced in the United States that was exported from the United States during the ten marketing years (or, in the case of rice, the five marketing years) immediately preceding the marketing year in which such exports are determined, adjusted for current trends in such exports

(13) (A) "Normal yield" for any county, in the case of corn or wheat, shall be the average yield per acre of corn or wheat for the county during the ten calendar years immediately preceding the year in which such normal yield is determined, adjusted for abnormal weather conditions and trends in yields. Such normal yield per acre for any county need be redetermined only when the actual average yield for the ten calendar years immediately preceding the calendar year in which such yield is being reconsidered differs by at least 5 per centum from the actual average yield for the ten years upon which the existing normal yield per acre for the county was based.

(B) "Normal yield" for any county, in the case of cotton or peanuts, shall be the average yield per acre of cotton or peanuts for the county, adjusted for abnormal weather conditions, during the five calendar years immediately preceding the year in which such normal yield is determined. For 1942, the normal yield for any county, in the case of peanuts, shall be the average yield per acre for peanuts for the county, adjusted for abnormal conditions, during the years 1936-1940, inclusive, except that for any county in which the years 1935-1939, inclusive, are equally

¹ So in original.

as representative, such period may be used in determining the normal yields for counties in the State.

(C) In applying the subparagraph (A) or (B), if for any such year the data are not available, or there is no actual yield, an appraised yield for such year, determined in accordance with regulations issued by the Secretary, shall be used as the actual yield for such year. In applying such subparagraphs, if, on account of drought, flood, insect pests, plant disease, or other uncontrollable natural cause, the yield in any year of such ten-year period or five-year period, as the case may be, is less than 75 per centum of the average (computed without regard to such year) such year shall be eliminated in calculating the normal yield per acre.

(D) "Normal yield" per acre of rice for any land planted to rice in any year shall be the average yield per acre thereof during the five calendar years immediately preceding the calendar year for which such normal yield is determined. If, for any reason, there is no actual yield or the data therefor are not available for any year, then an appraised yield for such year, determined in accordance with the regulations of the Secretary, shall be used. If the average of the normal yields for all lands planted to rice in any year in the State (weighted by the acreage allotments therein) exceeds the average yield per acre for the State during the period used in determining normal yields, the normal yields for such lands in the State shall be reduced pro rata so that the average of such normal yields shall not exceed such State average yield.

(E) "Normal yield" for any farm, in the case of corn, wheat, cotton or peanuts, shall be the average yield per acre of corn, wheat, cotton or peanuts, as the case may be, for the farm, adjusted for abnormal weather conditions and, in the case of corn and wheat, but not in the case of cotton or peanuts, for trends in yields, during the ten calendar years in the case of corn and wheat, and five calendar years in the case of cotton or peanuts, immediately preceding the year in which such normal yield is determined. For 1942, the normal yield for any farm, in the case of peanuts, shall be the average yield per acres of peanuts for the farm, adjusted for abnormal conditions, during the years 1936-1940, inclusive, except that for any county in which the years 1935-1939, inclusive, are equally as representative, such period may be used in determining normal yields for farms in the county. If for any such year the data are not available or there is no actual yield, then the normal yield for the farm shall be appraised in accordance with regulations of the Secretary, taking into consideration abnormal weather conditions, the normal yield for the county, and the yield in years for which data are available.

(14) (A) "Reserve supply level", in the case of corn, shall be a normal year's domestic consumption and exports of corn plus 10 per centum of a normal year's domestic consumption and exports, to insure a supply adequate to meet domestic consumption and export needs in years of drought, flood, or other adverse conditions, as well as in years of plenty.

(B) "Reserve supply level" of tobacco shall be the normal supply plus 5 per centum thereof, to insure a supply adequate to meet domestic consumption and export needs in years of drought, flood, or other adverse conditions, as well as in years of plenty.

(15) "Tobacco" means each one of the kinds of tobacco listed below comprising the types specified as classified in Service and Regulatory Announcement Numbered 118 of the Bureau of Agricultural Economics of the Department:

Flue-cured tobacco comprising types 11, 12, 13 and 14;

Fire-cured tobacco, comprising types 21, 22, 23, and 24;

Dark air-cured tobacco, comprising types 35 and 36;

Virginia sun-cured tobacco, comprising type 37;

Burley tobacco, comprising type 31;

Maryland tobacco, comprising type 32;

Cigar-filler and cigar-binder tobacco, comprising types 42, 43, 44, 45, 46, 51, 52, 53, 54, and 55;

Cigar-filler tobacco, comprising type 41.

The provisions of this subchapter shall apply to each of such kinds of tobacco severally: *Provided*, That any one or more of the types comprising any such kind of tobacco shall be treated as a "kind of tobacco" for the purposes of sections 1281-1407 of this title and sections 590h-590o of Title 16 if the Secretary finds there is a difference in supply and demand conditions as among such types of tobacco which results in a difference in the adjustments needed in the marketings thereof in order to maintain supplies in line with demand.

(16) (A) "Total supply" of corn, cotton, rice, and wheat for any marketing year shall be the carry-over of the commodity for such marketing year plus the estimated production of the commodity in the United States during the calendar year in which such marketing year begins.

(B) "Total supply" of tobacco for any marketing year shall be the carry-over at the beginning of such marketing year plus the estimated production thereof in the United States during the calendar year in which such marketing year begins, except that the estimated production of type 64 tobacco during the marketing year with respect to which the determination is being made shall be used in lieu of the estimated production of such type during the calendar year in which such marketing year begins in determining the total supply of cigar-filler and cigar-binder tobacco.

(c) **Use of Federal statistics.**—The latest available statistics of the Federal Government shall be used by the Secretary in making the determinations required to be made by the Secretary under this chapter. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 301, 52 Stat. 38; April 7, 1938, ch. 107, §§ 2-4, 52 Stat. 202; June 13, 1940, ch. 360, § 1, 54 Stat. 392; July 2, 1940, ch. 521, §§ 3-5, 54 Stat. 727, 728; Nov. 22, 1940, ch. 914, §§ 1, 3, 4, 54 Stat. 1209, 1210; Nov. 25, 1940, ch. 917, 54 Stat. 1211; Apr. 3, 1941, ch. 39, §§ 2, 3, 55 Stat. 91, 92; July 9, 1942, ch. 497, § 1 (4), (5), 56 Stat. 654.)

§ 1302. **Loans by Commodity Credit Corporation on agricultural commodities**—(a) Loans authorized; terms and conditions.

—The Commodity Credit Corporation is authorized, upon recommendation of the Secretary and with the approval of the President, to make available loans on agricultural commodities (including dairy products). Except as otherwise provided in this section, the amount, terms, and conditions of such loans shall be fixed by the Secretary, subject to the approval of the Corporation and the President.

(b) Wheat loans.—The Corporation is directed to make available to cooperators loans upon wheat during any marketing year beginning in a calendar year in which the farm price of wheat on June 15 or at any time thereafter during such marketing year is below 52 per centum of the parity price at any such time, or the July crop estimate for wheat is in excess of a normal year's domestic consumption and exports, at rates not less than 52 per centum and not more than 75 per centum of the parity price of wheat at the beginning of the marketing year. In case marketing quotas for wheat are in effect in any marketing year, the Corporation is directed to make available during such marketing year, to noncooperators, loans upon wheat at 60 per centum of the rate applicable to cooperators. A loan on wheat to a noncooperator shall be made only on so much of his wheat as would be subject to penalty if marketed.

(c) Cotton loans.—The Corporation is directed to make available to cooperators loans upon cotton during any marketing year beginning in a calendar year in which the average price on August 1 or at any time thereafter during such marketing year of seven-eighths Middling spot cotton on the ten markets designated by the Secretary is below 52 per centum of the parity price of cotton at any such time, or the August crop estimate for cotton is in excess of a normal year's domestic consumption and exports, at rates not less than 52 per centum and not more than 75 per centum of the parity price of cotton as of the beginning of the marketing year. In case marketing quotas for cotton are in effect in any marketing year, the Corporation is directed to make available, during such marketing year to noncooperators, loans upon cotton at 60 per centum of the rate applicable to cooperators. A loan on cotton to a noncooperator shall be made only on so much of his cotton as would be subject to penalty if marketed.

(d) Corn loans.—The Corporation is directed to make available loans upon corn during any marketing year beginning in the calendar year in which the November crop estimate for corn is in excess of a normal year's domestic consumption and exports, or in any marketing year when on November 15 or at any time thereafter during such marketing year the farm price of corn is below 75 per centum of the parity price, at the following rates:

75 per centum of such parity price if such estimate does not exceed a normal year's consumption and exports and the farm price of corn is below 75 per centum of the parity price on November 15 or at any time thereafter during such marketing year;

70 per centum of such parity price if such estimate exceeds a normal year's domestic consumption and exports by not more than 10 per centum;

65 per centum of such parity price if such estimate exceeds a normal year's domestic consumption and exports by more than 10 per centum and not more than 15 per centum;

60 per centum of such parity price if such estimate exceeds a normal year's domestic consumption and exports by more than 15 per centum and not more than 20 per centum;

55 per centum of such parity price if such estimate exceeds a normal year's domestic consumption and exports by more than 20 per centum and not more than 25 per centum;

52 per centum of such parity price if such estimate exceeds a normal year's domestic consumption and exports by more than 25 per centum.

Loans shall be made to cooperators in the commercial corn-producing area at the applicable rate of the above schedule. Loans shall be made to noncooperators within such commercial corn-producing area but only during a marketing year in which farm marketing quotas are in effect and only on corn stored under seal pursuant to section 1324 of this title, and the rate of such loans shall be 60 per centum of the applicable rate under the above schedule. Loans shall be made to cooperators outside such commercial corn-producing area, and the rate of such loans shall be 75 per centum of the applicable rate under the above schedule.

(e) Rates of loans for nonstandard commodities.—The rates of loans under subsections (b), (c), and (d) on wheat, cotton, and corn not of standard grade, type, staple, or quality shall be increased or decreased in relation to the rates above provided by such amounts as the Secretary prescribes as properly reflecting differences from standard in grade, type, staple, and quality.

(f) Cooperator defined.—For the purposes of subsections (b), (c), and (d), a cooperator shall be a producer on whose farm the acreage planted to the commodity for the crop with respect to which the loan is made does not exceed the farm acreage allotment for the commodity under this subchapter, or, in the case of loans upon corn to a producer outside the commercial corn-producing area, a producer on whose farm the acreage planted to soil-depleting crops does not exceed the farm acreage allotment for soil-depleting crops for the year in which the loan is made under sections 590a-590q of Title 16. For the purposes of this subsection a producer shall not be deemed to have exceeded his farm acreage allotment unless such producer knowingly exceeded his farm acreage allotment.

(g) Prohibition of loans after adverse referendum.—Notwithstanding any other provision of this section, if the farmers producing cotton, wheat, corn, or rice indicate by vote in a referendum carried out pursuant to the provisions of this subchapter that marketing quotas with respect to such commodity are opposed by more than one-third of the farmers voting in such referendum, no loan shall be made pursuant to this section with respect to the commodity during the period from the date on which the results of the referendum are proclaimed by the Secretary until the beginning of the second succeeding¹ marketing year for such commodity. This subsection shall not limit the availability or renewal of any loan previously made.

(h) **Exemption from liability for deficiency from sale of collateral.**—No producer shall be personally liable for any deficiency arising from the sale of the collateral securing any loan under this section unless such loan was obtained through fraudulent representations by the producer.

(i) **Utilization of departmental services and personnel.**—In carrying out this section the Corporation is directed, with the consent of the Secretary, to utilize the services, facilities, and personnel of the Department. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 302, 52 Stat. 43; June 21, 1938, ch. 554, title V, § 502, 52 Stat. 820.)

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

Peanut crop loans, see sections 1330 (10) and 1340 (10) of this title.

PAYMENTS FOR INCREASED FLAX PRODUCTION

Section 5 of act Dec. 23, 1944, ch. 713, 58 Stat. 919 provided: "Notwithstanding the provisions of the item entitled 'Conservation and use of agricultural land resources', contained in the Department of Agriculture Appropriation Act, 1945 [act June 28, 1944, ch. 296, 58 Stat. 425], there is hereby authorized to be appropriated to the War Food Administrator an additional amount not exceeding \$30,000,000 for making payments, subject to the applicable provisions of the Soil Conservation and Domestic Allotment Act, as amended [sections 590a-590h, 590i, 590j-590q of Title 16], to producers to encourage an increased production of flax for the crop year 1945 and the Administrator is authorized to make commitments to the producers of such commodity accordingly in advance of the appropriation of the funds herein authorized."

§ 1303. **Parity payments.**—If and when appropriations are made therefor, the Secretary is authorized and directed to make payments to producers of corn, wheat, cotton, rice, or tobacco, on their normal production of such commodities in amounts which, together with the proceeds thereof, will provide a return to such producers which is as nearly equal to parity price as the funds so made available will permit. All funds available for such payments with respect to these commodities shall, unless otherwise provided by law, be apportioned to these commodities in proportion to the amount by which each fails to reach the parity income. Such payments shall be in addition to and not in substitution for any other payments authorized by law. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 303, 52 Stat. 45.)

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 1304. **Consumer safeguards.**—The powers conferred under this chapter shall not be used to discourage the production of supplies of foods and fibers sufficient to maintain normal domestic human consumption as determined by the Secretary from the records of domestic human consumption in the years 1920 to 1929, inclusive, taking into consideration increased population, quanti-

¹ So in original.

ties of any commodity that were forced into domestic consumption by decline in exports during such period, current trends in domestic consumption and exports of particular commodities, and the quantities of substitutes available for domestic consumption within any general class of food commodities. In carrying out the purposes of this chapter it shall be the duty of the Secretary to give due regard to the maintenance of a continuous and stable supply of agricultural commodities from domestic production adequate to meet consumer demand at prices fair to both producers and consumers. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 304, 52 Stat. 45.)

B. MARKETING QUOTAS

PART I.—MARKETING QUOTAS—TOBACCO

§ 1311. **Legislative finding of effect on interstate and foreign commerce and necessity of regulation.**—(a) The marketing of tobacco constitutes one of the great basic industries of the United States with ramifying activities which directly affect interstate and foreign commerce at every point, and stable conditions therein are necessary to the general welfare. Tobacco produced for market is sold on a Nation-wide market and, with its products, moves almost wholly in interstate and foreign commerce from the producer to the ultimate consumer. The farmers producing such commodity are subject in their operations to uncontrollable natural causes, are widely scattered throughout the Nation, in many cases such farmers carry on their farming operations on borrowed money or leased lands, and are not so situated as to be able to organize effectively, as can labor and industry through unions and corporations enjoying Government protection and sanction. For these reasons, among others, the farmers are unable without Federal assistance to control effectively the orderly marketing of such commodity with the result that abnormally excessive supplies thereof are produced and dumped indiscriminately on the Nation-wide market.

(b) The disorderly marketing of such abnormally excessive supplies affects, burdens, and obstructs interstate and foreign commerce by (1) materially affecting the volume of such commodity marketed therein, (2) disrupting the orderly marketing of such commodity therein, (3) reducing the price for such commodity with consequent injury and destruction of interstate and foreign commerce in such commodity, and (4) causing a disparity between the prices for such commodity in interstate and foreign commerce and industrial products therein, with a consequent diminution of the volume of interstate and foreign commerce in industrial products.

(c) Whenever an abnormally excessive supply of tobacco exists, the marketing of such commodity by the producers thereof directly and substantially affects interstate and foreign commerce in such commodity and its products, and the operation of the provisions of sections 1311-1314 of this title becomes necessary and appropriate in order to promote, foster, and maintain an orderly flow of such supply in interstate and foreign commerce. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 311, 52 Stat. 45.)

CROSS REFERENCE

Supplemental provisions, see section 1330 (10) of this title.

§ 1312. National marketing quota—Proclamation of quota.—

(a) Whenever the Secretary finds that the total supply of tobacco as of the beginning of the marketing year then current exceeds the reserve supply level therefor, the Secretary shall proclaim the amount of such total supply, and, beginning on the first day of the marketing year next following and continuing throughout such year, a national marketing quota shall be in effect for the tobacco marketed during such marketing year. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the total quantity of tobacco which may be marketed, which will make available during such marketing year a supply of tobacco equal to the reserve supply level. Such proclamation shall be made not later than the 1st day of December in such year. The amount of the national marketing quota so proclaimed may, not later than the following March 1, be increased by not more than 20 per centum if the Secretary determines that such increase is necessary in order to meet market demands, or to avoid undue restriction of marketings in adjusting the total supply to the reserve supply level. (As amended Feb. 28, 1942, ch. 123, 56 Stat. 121.)

(b) **Referendum on quotas.**—Within thirty days after the date of the issuance of the proclamation specified in subsection (a) of this section, the Secretary shall conduct a referendum of farmers who were engaged in production of the crop of tobacco harvested prior to the holding of the referendum to determine whether such farmers are in favor of or opposed to such quota. If more than one-third of the farmers voting in the referendum oppose such quota, the Secretary shall, prior to the 1st day of January, proclaim the result of the referendum and such quota shall not be effective thereafter. In the same referendum the Secretary shall also submit to such farmers the question of whether they favor tobacco marketing quotas for a period of three years, beginning with the marketing year next following. If two-thirds of the farmers voting on this question favor marketing quotas for a three-year period, the Secretary shall proclaim marketing quotas for such period, and, beginning on the first day of the marketing year next following and continuing throughout the period so proclaimed, a national marketing quota shall be in effect for the tobacco marketed during each marketing year in said period unless amendments are made in the provisions for determining farm allotments so as to cause material revision of such allotments before the end of such period. If more than one-third of the farmers voting on this question oppose marketing quotas for the three-year period, such results shall be proclaimed by the Secretary and quotas for a longer period than one year shall not be in effect, but such result shall in no wise affect or limit the proclamation and submission to a referendum, as otherwise provided in this section, of a national marketing quota for any marketing year thereafter. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 312, 52 Stat. 46; Mar. 26, 1938, ch. 54, 52 Stat. 120; Aug. 7,

1939, ch. 562, 563, 53 Stat. 1261; June 13, 1940, ch. 360, §§ 2, 3, 54 Stat. 392; Nov. 22, 1940, ch. 914, §§ 2, 5, 54 Stat. 1209, 1210.)

PROCLAMATION AFFIRMED

Act April 7, 1938, ch. 107, § 19, 52 Stat. 205, provided as follows: "The proclamations heretofore issued by the Secretary of Agriculture under sections 312 (a), 327, 328, and 345 of the Agricultural Adjustment Act of 1938 shall be effective as provided in said sections, and no provision of any amendment made by this act shall be construed as requiring any further action under section 312 (c) or 347 of the Agricultural Adjustment Act of 1938 with respect to marketing years beginning in 1938."

QUOTAS FOR BURLEY AND FLUE-CURED TOBACCO FOR MARKETING YEAR 1944-45

Res. July 7, 1943, ch. 195, 57 Stat. 387, provided:

"That notwithstanding the provisions of section 312 (a) of the Agricultural Adjustment Act of 1938, as amended, [section 1312 of this title] relating to the finding of the total supply of tobacco, the reserve supply level and the amount of the national marketing quota, and the provisions of section 313 of said Act (section 1313 of this title) relating to the apportionment of the national marketing quota for tobacco among the States and farms, national marketing quotas for burley and flue-cured tobacco for the marketing year 1944-45 shall be proclaimed and the national marketing quotas and State and farm acreage allotments shall be the same as for the preceding year: *Provided, however,* That an additional acreage not in excess of 2 per centum of the total acreage allotted to all farms in each State in 1940 shall be allotted in accordance with the applicable provisions of subsection (a) of section 313 (section 1313 of this title) and an additional acreage equal to not more than 5 per centum of the national marketing quota shall be allotted to farms on which no tobacco was produced in the last five years in accordance with the provisions of subsection (g) of section 313 (section 1313 of this title). This joint resolution shall not have the effect of modifying or repealing any other provision of said Act (sections 1281-1407 of this title, and sections 590h and 590o of Title 16)."

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

Supplemental provisions relating to marketing quotas, see section 1330 (10) of this title.

§ 1313. Apportionment of national marketing quota.—(a) Apportionment among States.—The national marketing quota for tobacco established pursuant to the provisions of section 1312 of this title, less the amount to be allotted under subsection (c) of this section, shall be apportioned by the Secretary among the several States on the basis of the total production of tobacco in each State during the five calendar years immediately preceding the calendar year in which the quota is proclaimed (plus, in applicable years, the normal production on the acreage diverted under previous agricultural adjustment and conservation programs), with such adjustments as are determined to be necessary to make correction for abnormal conditions of production, for small farms, and for trends in production, giving due consideration to seed bed and other plant diseases during such five-year period. Notwithstanding any other provision of this section and section 1312 of this title, except the provisions in subsection (g) of this section relating to reduction of allotments, for any of the three marketing years, 1941-1942 to 1943-1944, in which a

national marketing quota is in effect for Burley or flue-cured tobacco, such national marketing quota shall not be reduced below the 1940-1941 national market quota by more than 10 per centum and the farm-acreage allotments (other than allotments established in each year under subsection (g) of this section for farms on which no tobacco was produced in the last five years) shall be determined by increasing or decreasing the farm-acreage allotments established in the last preceding year in which marketing quotas were in effect in the same ratio as such national quota is increased or decreased above or below the last preceding national marketing quota: *Provided*, That in the case of flue-cured tobacco no allotment shall be decreased below the 1940 allotment if such allotment was two acres or less, and in the case of Burley tobacco no allotment shall be decreased below the 1939 allotment if such allotment was one-half acre or less, or below the 1940 allotment if such allotment was over one-half acre and not over one acre: *And provided further*, That an additional acreage not in excess of 2 per centum of the total acreage allotted to all farms in each State in 1940 shall be allotted by the local committees, without regard to the ratio aforesaid, among farms in the State in accordance with regulations prescribed by the Secretary so as to establish allotments which the committees find will be fair and equitable in relation to the past acreage of tobacco (harvested and diverted); land, labor, and equipment available for the production of tobacco; and crop-rotation practices: *And provided further*, That the Burley tobacco acreage allotment which would otherwise be established for any farm having a Burley acreage allotment in 1942 shall not be less than one-half acre, and the acreage required for apportionment under this proviso shall be in addition to the National and State acreage allotments.

(b) Allotment of quota among producing farms.—The Secretary shall provide, through the local committees, for the allotment of the marketing quota for any State among the farms on which tobacco is produced, on the basis of the following: Past marketing of tobacco, making due allowance for drought, flood, hail, other abnormal weather conditions, plant bed, and other diseases; land, labor, and equipment available for the production of tobacco; crop-rotation practices; and the soil and other physical factors affecting the production of tobacco: *Provided*, That, except for farms on which for the first time in five years tobacco is produced to be marketed in the marketing year for which the quota is effective, the marketing quota for any farm shall not be less than the smaller of either (1) three thousand two hundred pounds, in the case of flue-cured tobacco, and two thousand four hundred pounds, in the case of other kinds of tobacco, or (2) the average tobacco production for the farm during the preceding three years, plus the average normal production of any tobacco acreage diverted under agricultural adjustment and conservation programs during such preceding three years.

(c) Allotment to previous nonproducing farms and small farms. The Secretary shall provide, through local committees, for the allotment of not in excess of 5 per centum of the national mar-

keting quota (1) to farms in any State whether it has a State quota or not on which for the first time in five years tobacco is produced to be marketed in the year for which the quota is effective and (2) for further increase of allotments to small farms pursuant to the proviso in subsection (b) of this section on the basis of the following: Land, labor, and equipment available for the production of tobacco; crop-rotation practices; and the soil and other physical factors affecting the production of tobacco: *Provided*, That farm marketing quotas established pursuant to this subsection for farms on which tobacco is produced for the first time in five years shall not exceed 75 per centum of the farm marketing quotas established pursuant to subsection (b) of this section for farms which are similar with respect to the following: Land, labor, and equipment available for the production of tobacco, crop-rotation practices, and the soil and other physical factors affecting the production of tobacco.

(d) Transfer of farm marketing quotas.—Farm marketing quotas may be transferred only in such manner and subject to such conditions as the Secretary may prescribe by regulations.

(e) Quota for 1938; minimum State allotments.—In case of flue-cured tobacco, the national quota for 1938 is increased by a number of pounds required to provide for each State in addition to the State poundage allotment a poundage not in excess of 4 per centum of the allotment which shall be apportioned in amounts which the Secretary determines to be fair and reasonable to farms in the State receiving allotments under this chapter which the Secretary determines are inadequate in view of past production of tobacco, and for each year by a number of pounds sufficient to assure that any State receiving a State poundage allotment of flue-cured tobacco shall receive a minimum State poundage allotment of flue-cured tobacco equal to the average national yield for the preceding five years of five hundred acres of such tobacco.

(f) Increase of 1938 quota.—In the case of fire-cured and dark air-cured and burley tobacco, the national quota for 1938 is increased by a number of pounds required to provide for each State in addition to the State poundage allotment a poundage not in excess of 2 per centum of the allotment which shall be apportioned in amounts which the Secretary determines to be fair and reasonable to farms in the State receiving allotments under this section which the Secretary determines are inadequate in view of past production of tobacco.

(g) Conversion of State marketing quota into State acreage allotment.—Notwithstanding any other provision of this section, the Secretary on the basis of average yield per acre to tobacco for the State during the five years last preceding the year in which the national marketing quota is proclaimed, adjusted for abnormal conditions of production, may convert, the State marketing quota into a State acreage allotment, and allot the same through the local committees among farms on the basis of the factors set forth in subsection (b), using past acreage (harvested and diverted) in lieu of the past marketing of tobacco; and the Secretary on the basis of the national average yield during the

same period, similarly adjusted, may also convert into an acreage allotment the amount reserved from the national quota pursuant to the provisions of subsection (c), and on the basis of the factors set forth in subsection (c) and the past tobacco experience of the farm operator, allot the same through the local committees among farms on which no tobacco was produced during the last five years. Except for farms last mentioned or a farm operated, controlled, or directed by a person who also operates, controls, or directs another farm on which tobacco is produced, the farm-acreage allotment shall be increased by the smaller of (1) 20 per centum of such allotment or (2) in the percentage by which the normal yield of such allotment (as determined through the local committees in accordance with regulations prescribed by the Secretary) is less than three thousand two hundred pounds, in the case of flue-cured tobacco, and two thousand four hundred pounds in the case of other kinds of tobacco: *Provided*, That the normal yield of the estimated number of acres so added to farm acreage allotments in any State shall be considered as a part of the State marketing quota in applying the proviso in subsection (a). The actual production of the acreage allotment established for a farm pursuant to this subsection shall be the amount of the farm marketing quota. If any amount of tobacco shall be marketed as having been produced on the acreage allotment for any farm which in fact was produced on a different farm, the acreage allotments next established for both such farms shall be reduced by that percentage which such amount was of the respective farm marketing quota, except that such reduction for any such farm shall not be made if the Secretary through the local committees finds that no person connected with such farm caused, aided, or acquiesced in such marketing; and if proof of the disposition of any amount of tobacco is not furnished as required by the Secretary, the acreage allotment next established for the farm on which such tobacco is produced shall be reduced by a percentage similarly computed.

Adjustment of allotment upon acquisition of part of farms by United States for defense.—(h) Notwithstanding any other provision of sections 1311-1314 of this title, any person who owned a farm, which in 1940 or thereafter was acquired by the United States for national-defense purposes, and who owns or acquires one or more other farms, shall, upon application to the local committee, be entitled to have an allotment for any one of such other farms owned by him for each of the five years succeeding the acquisition by the United States equal to the allotment which would have been made to such farm plus the allotment which would have been made to the farm acquired by the United States except for such acquisition: *Provided*, That such allotment shall not exceed 50 per centum of the acreage of cropland in the farm in the case of flue-cured tobacco, and 20 per centum of the acreage of cropland in the farm, in the case of kinds of tobacco other than flue-cured. Any farm for which the allotment has been determined under this subsection shall, after the end of such five years, have its allotment determined on the basis of past acreage of tobacco, land, labor, and equipment available for the production of to-

bacco, crop-rotation practices, and soil and other physical factors affecting the production of tobacco: *Provided further*, That the provisions of this subsection shall not be applicable so long as there is any penalty due and unpaid, or a failure to account for the disposition of tobacco produced on the farm acquired by the United States, or if the allotment next established for such farm would have been reduced because of the false or improper identification of tobacco produced on or marketed from such farm. Nothing in this subsection shall be construed as preventing the Secretary from operating any allotment pool from which allotments are made to share tenants or sharecroppers who move from farms acquired by the United States for national-defense purposes to other farms purchased and operated by such persons. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 313, 52 Stat. 47; Apr. 7, 1938, ch. 107, § 5, 52 Stat. 202; May 31, 1938, ch. 292, § 2, 52 Stat. 586; Aug. 7, 1939, ch. 564; 53 Stat. 1261; June 13, 1940, ch. 360, § 4, 54 Stat. 392; Feb. 6, 1942, ch. 44, § 1, 56 Stat. 51; Apr. 29, 1943, ch. 80, 57 Stat. 69.

NOTE.—Act of March 31, 1944, 58 Stat. 157, provided that, “notwithstanding the provisions of section 313 (a) of the Agricultural Adjustment Act of 1938, as amended, the burley tobacco acreage allotment which would otherwise be established for any farm having a burley acreage allotment in 1943 shall not be less than one acre, or 25 per centum of the cropland, whichever is the smaller, and the acreage required for apportionment under this joint resolution shall be in addition to the National and State acreage allotments.”

QUOTAS FOR BURLEY AND FLUE-CURED TOBACCO FOR MARKETING YEAR 1944-45

Res. July 7, 1943, ch. 195, 57 Stat. 387, provided: “That notwithstanding the provisions of section 312 (a) of the Agricultural Adjustment Act of 1938, as amended, (section 1312 of this title) relating to the finding of the total supply of tobacco, the reserve supply level and the amount of the national marketing quota, and the provisions of section 313 of said Act (section 1313 of this title) relating to the apportionment of the national marketing quota for tobacco among the States and Farms, national marketing quotas for burley and flue-cured tobacco, for the marketing year 1944-45 shall be proclaimed and the national marketing quotas and State and farm acreage allotments shall be the same as for the preceding year: *Provided, however*, That an additional acreage not in excess of 2 per centum of the total acreage allotted to all farms in each State in 1940 shall be allotted in accordance with the applicable provisions of subsection (a) of section 313 (section 1313 of this title) and an additional acreage equal to not more than 5 per centum of the national marketing quota shall be allotted to farms on which no tobacco was produced in the last five years in accordance with the provisions of subsection (g) of section 313 (section 1313 of this title). This joint resolution shall not have the effect of modifying or repealing any other provision of said Act (sections 1281-1407 of this title, and sections 590h and 590o of Title 16).”

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

Supplemental provisions relating to marketing quotas, see section 1330 (10) of this title.

§ 1314. Penalties—(a) Persons liable.—The marketing of any tobacco in excess of the marketing quota for the farm on which the tobacco is produced shall be subject to a penalty of 10 cents

per pound in the case of flue-cured, Maryland, or Burley tobacco and 5 cents per pound in the case of all other kinds of tobacco. Such penalty shall be paid by the person who acquires such tobacco from the producer but an amount equivalent to the penalty may be deducted by the buyer from the price paid to the producer in case such tobacco is marketed by sale; or, if the tobacco is marketed by the producer through a warehouseman or other agent, such penalty shall be paid by such warehouseman or agent who may deduct an amount equivalent to the penalty from the price paid to the producer: *Provided*, That in case any tobacco is marketed directly to any person outside the United States the penalty shall be paid and remitted by the producer. If any producer falsely identifies or fails to account for the disposition of any tobacco, an amount of tobacco equal to the normal yield of the number of acres harvested in excess of the farm-acreage allotment shall be deemed to have been marketed in excess of the marketing quota for the farm, and the penalty in respect thereof shall be paid and remitted by the producer. Tobacco carried over by the producer thereof from one marketing year to another may be marketed without payment of the penalty imposed by this section if the total amount of tobacco available for marketing from the farm in the marketing year from which the tobacco is carried over did not exceed the farm marketing quota established for the farm for such marketing year (or which would have been established if marketing quotas had been in effect for such marketing year), or if the tobacco so carried over does not exceed the normal production of that number of acres by which the harvested acreage of tobacco in the calendar year in which the marketing year begins is less than the farm-acreage allotment. Tobacco produced in a calendar year in which marketing quotas are in effect for the marketing year beginning therein shall be subject to such quotas even though it is marketed prior to the date on which such marketing year begins.

(b) Collection and deposit.—The Secretary shall require collection of the penalty upon a proportion of each lot of tobacco marketed from the farm equal to the proportion which the tobacco available for marketing from the farm in excess of the farm marketing quota is of the total amount of tobacco available for marketing from the farm if satisfactory proof is not furnished as to the disposition to be made of such excess tobacco prior to the marketing of any tobacco from the farm. All funds collected pursuant to this section shall be deposited in a special deposit account with the Treasurer of the United States until the end of the marketing year next succeeding that in which the funds are collected, and upon certification by the Secretary there shall be paid out of such special deposit account to persons designated by the Secretary the amount by which the penalty collected exceeds the amount of penalty due upon tobacco marketed in excess of the farm marketing quota for any farm. Such special account shall be administered by the Secretary, and the basis for, the amount of, and the person entitled to receive a payment from such account, when determined in accordance with regulations prescribed by the Secretary, shall be final and conclusive. (Feb.

16, 1938, 3 p. m., ch. 30, title III, § 314, 52 Stat. 48; Aug. 7, 1939, ch. 565, 53 Stat. 1262; June 13, 1940, ch. 360, § 5, 54 Stat. 393.)

PART II.—MARKETING QUOTAS—CORN

§ 1321. **Legislative finding of effect on interstate and foreign commerce and necessity of regulation.**—Corn is a basic source of food for the Nation, and corn produced in the commercial corn-producing area moves almost wholly in interstate and foreign commerce in the form of corn, livestock, and livestock products.

Abnormally excessive and abnormally deficient supplies of corn acutely and directly affect, burden, and obstruct interstate and foreign commerce in corn, livestock, and livestock products. When abnormally excessive supplies exist, transportation facilities in interstate and foreign commerce are overtaxed, and the handling and processing facilities through which the flow of interstate and foreign commerce in corn, livestock, and livestock products is directed become acutely congested. Abnormally deficient supplies result in substantial decreases in livestock production and in an inadequate flow of livestock and livestock products in interstate and foreign commerce, with the consequence of unreasonably high prices to consumers.

Violent fluctuations from year to year in the available supply of corn disrupt the balance between the supply of livestock and livestock products moving in interstate and foreign commerce and the supply of corn available for feeding. When available supplies of corn are excessive, corn prices are low and farmers overexpand livestock production in order to find outlets for corn. Such expansion, together with the relative scarcity and high price of corn, forces farmers to market abnormally excessive supplies of livestock in interstate commerce at sacrifice prices, endangering the financial stability of producers, and overtaxing handling and processing facilities through which the flow of interstate and foreign commerce in livestock and livestock products is directed. Such excessive marketings deplete livestock on farms, and livestock marketed in interstate and foreign commerce consequently becomes abnormally low, with resultant high prices to consumers and danger to the financial stability of persons engaged in transporting, handling, and processing livestock in interstate and foreign commerce. These high prices in turn result in another overexpansion of livestock production.

Recurring violent fluctuations in the price of corn resulting from corresponding violent fluctuations in the supply of corn directly affect the movement of livestock in interstate commerce from the range cattle regions to the regions where livestock is fattened for market in interstate and foreign commerce, and also directly affect the movement in interstate commerce of corn marketed as corn which is transported from the regions where produced to the regions where livestock is fattened for market in interstate and foreign commerce.

Substantially all the corn moving in interstate commerce, substantially all the corn fed to livestock transported in interstate commerce for fattening, and substantially all the corn fed to livestock marketed in interstate and foreign commerce, is produced

in the commercial corn-producing area. Substantially all the corn produced in the commercial corn-producing area, with the exception of a comparatively small amount used for farm consumption, is either sold or transported in interstate commerce, or is fed to livestock transported in interstate commerce for feeding, or is fed to livestock marketed in interstate and foreign commerce. Almost all the corn produced outside the commercial corn-producing area is either consumed, or is fed to livestock which is consumed, in the State in which such corn is produced.

The conditions affecting the production and marketing of corn and the livestock products of corn are such that, without Federal assistance, farmers, individually or in cooperation, cannot effectively prevent the recurrence of disparities between the supplies of livestock moving in interstate and foreign commerce and the supply of corn available for feeding, and provide for orderly marketing of corn in interstate and foreign commerce and livestock and livestock products in interstate and foreign commerce.

The national public interest requires that the burdens on interstate and foreign commerce above described be removed by the exercise of Federal power. By reason of the administrative and physical impracticability of regulating the movement of livestock and livestock products in interstate and foreign commerce and the inadequacy of any such regulation to remove such burdens, such power can be feasibly exercised only by providing for the withholding from market of excessive and burdensome supplies of corn in times of excessive production, and providing a reserve supply of corn available for market in times of deficient production, in order that a stable and continuous flow of livestock and live stock products in interstate and foreign commerce may at all times be assured and maintained. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 321, 52 Stat. 48.)

§ 1322. Farm marketing quotas—(a) Establishment.—Whenever in any calendar year the Secretary determines from available statistics of the Department, including the August production estimate officially published by the Division of Crop and Livestock Estimates of the Bureau of Agricultural Economics of the Department, that the total supply of corn as of October 1 will exceed the normal supply thereof by more than 10 per centum, marketing quotas shall be in effect in the commercial corn-producing area for the crop of corn grown in such area in such calendar year, and shall remain in effect until terminated in accordance with the provisions of this subchapter.

(b) Marketing percentage, determination.—The Secretary shall determine, on the basis of the estimated average yield of corn in such area for such crop, the acreage in such area which the Secretary determines would make available for the marketing year beginning October 1 a supply of corn (together with the estimated production of corn in the United States outside such area) equal to the normal supply. The percentage which the number of acres so determined is of the total number of acres of the acreage allotment under section 1328 of this title shall be proclaimed by the Secretary. Such percentage is referred to herein as the “marketing percentage”.

(c) **Time for proclamations of quotas.**—The Secretary shall proclaim his determinations of facts under subsection (a) and his determination of the marketing percentage under subsection (b) not later than August 15.

(d) **Referendum on quota.**—Within twenty days after the date of the issuance of the proclamation provided for in subsection (c) of this section, the Secretary shall conduct a referendum, by secret ballot, of farmers who would be subject to such quotas to determine whether such farmers are in favor of or opposed to such quotas. If more than one-third of the farmers voting in the referendum oppose such quotas, the Secretary shall, prior to September 10, proclaim the result of the referendum and such quotas shall not become effective.

(e) **Suspension of quota by proclamation.**—Whenever it shall appear from the September production estimates officially published by the Division of Crop and Livestock Estimates of the Bureau of Agricultural Economics of the Department, that the total supply of corn as of the beginning of the next succeeding marketing year will not exceed the normal supply by more than 10 per centum thereof, the Secretary shall proclaim such fact prior to September 20, if farm marketing quotas have been proclaimed for such marketing year. Thereupon such quotas shall not become effective. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 322, 52 Stat. 49.)

CROSS REFERENCES

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

Marketing percentage under subsec. (b), see section 1322a of this title.

Time for proclamations under subsecs. (c) and (d), see section 1322a of this title.

Supplemental provisions relating to marketing quotas, see section 1330, this title.

§ 1322a. **Same; time for proclamations; marketing percentage.**—Notwithstanding the provisions of section 1322 of this title, as amended, the determinations under subsection (c) may be proclaimed at any time prior to September 15, the result of the referendum under subsection (d) may be proclaimed at any time prior to October 10, and the marketing percentage under subsection (b) shall be 100 per centum. (July 26, 1939, ch. 378, 53 Stat. 1125.)

CODIFICATION

Section is not part of Agricultural Adjustment Act of 1938.

§ 1323. **Amount of farm marketing quota.**—(a) The farm marketing quota for any farm with respect to any crop of corn shall be an amount of corn equal to the sum of—

(1) The amount of corn used as silage; and

(2) The actual production of the acreage of corn not used as silage less the amount required for farm consumption and less the storage amount applicable to the farm as ascertained under section 1324 of this title.

(b) No farm marketing quota with respect to any crop of corn shall be applicable to any farm on which the normal production

of the acreage planted to corn is less than three hundred bushels. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 323, 52 Stat. 50.)

CROSS REFERENCES

Supplemental provisions relating to corn and wheat marketing quotas, see section 1330 of this title.

§ 1324. Storage amounts.—(a) If the acreage of corn on the farm does not exceed the marketing percentage of the farm acreage allotment, there shall be no storage amount.

(b) If the acreage of corn on the farm exceeds the marketing percentage of the farm acreage allotment, the storage amount shall be a number of bushels equal to the smallest of the following amounts—

(1) The normal production of the acreage of corn on the farm in excess of the marketing percentage of the farm acreage allotment;

(2) The amount by which the actual production of the acreage of corn on the farm exceeds the normal production of the marketing percentage of the farm acreage allotment; or

(3) The amount of the actual production of the acreage of corn on the farm not used for silage.

(c) If the storage amount ascertained under subsection (b) is less than 100 bushels, there shall be no storage amount. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 324, 52 Stat. 50.)

§ 1325. Penalties.—(a) **Marketing in excess of quota.**—Any farmer who, while any farm marketing quota is in effect for his farm with respect to any crop of corn, markets corn produced on the farm in an amount which is in excess of the aggregate of the farm marketing quotas for the farm in effect at such time, shall be subject to a penalty of 15 cents per bushel of the excess so marketed. Liability for such penalty shall not accrue until the amount of corn stored under seal on such farm or in storage cribs rented by the farmer or under his control is less than the storage amount applicable to such crop plus the storage amounts, if any, applicable to other crops.

(b) **Presumptions and burden of proof.**—If there is stored under seal on the farm or in such cribs an amount of corn equal at least to the storage amounts applicable to such crop plus such storage amounts applicable to such other crops, the farmer shall be presumed not to be violating the provisions of subsection (a). When the amount of corn stored under seal on the farm or in such cribs is less than the storage amount applicable to such crop plus such storage amounts applicable to such other crops, the farmer shall be presumed to have marketed, while farm marketing quotas were in effect, corn in violation of the provisions of subsection (a) to the extent that the amount of corn so stored is less than the aggregate of such storage amounts. In any action brought to enforce the collection of penalties provided for in this section, the farmer, to the extent that the amount of corn so stored is less than the aggregate of such storage amounts, shall have the burden of proving that he did not market corn in violation of the provisions of subsection (a).

(c) **Corn deemed stored under seal.**—For the purposes of sections 1321, 1322, 1323-1329 of this title, corn shall be deemed to be stored by the farmer under seal only if stored in such manner as to conform to the requirements of such regulations as the Secretary shall prescribe in order more effectively to administer sections 1321, 1322, 1323-1329 of this title. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 325, 52 Stat. 51.)

§ 1326. **Adjustment of farm marketing quotas.**—(a) Whenever in any county or other area the Secretary finds that the actual production of corn plus the amount of corn stored under seal in such county or other area is less than the normal production of the marketing percentage of the farm acreage allotments in such county or other area, the Secretary shall terminate farm marketing quotas for corn in such county or other area.

(b) Whenever, upon any farm, the actual production of the acreage of corn is less than the normal production of the marketing percentage of the farm acreage allotment, there may be marketed, without penalty, from such farm an amount of corn from the corn stored under seal pursuant to section 1324 of this title which, together with the actual production of the then current crop, will equal the normal production of the marketing percentage of the farm acreage allotment.

(c) Whenever, in any marketing year, marketing quotas are not in effect with respect to the crop of corn produced in the calendar year in which such marketing year begins, all marketing quotas applicable to previous crops of corn shall be terminated. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 326, 52 Stat. 51.)

§ 1327. **Proclamation of supplies and commercial corn-producing area.**—Not later than September 1, the Secretary shall ascertain and proclaim the total supply, the normal supply, and the reserve supply level for such marketing year. Not later than February 1, the Secretary shall ascertain and proclaim the commercial corn-producing area. The ascertainment and proclamation of the commercial corn-producing area for 1938 shall be made not later than ten days after the date of the enactment of this chapter. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 327, 52 Stat. 51.)

PROCLAMATIONS AFFIRMED

Effect of act April 7, 1938, ch. 107, 52 Stat. 202, see note under section 1312 of this title.

§ 1328. **Acreage allotment; proclamations.**—The acreage allotment of corn for any calendar year shall be that acreage in the commercial corn-producing area which, on the basis of the average yield for corn in such area during the ten calendar years immediately preceding such calendar year, adjusted for abnormal weather conditions and trends in yield, will produce an amount of corn in such area which the Secretary determines will, together with corn produced in the United States outside the commercial corn-producing area, make available a supply for the marketing year beginning in such calendar year, equal to the reserve supply level. The Secretary shall proclaim such acreage allotment not later than February 1 of the calendar year for which such acreage allotment was determined. The proclamation

of the acreage allotment for 1938 shall be made as soon as practicable after the date of the enactment of this chapter. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 328, 52 Stat. 52; April 7, 1938, ch. 107, § 6, 52 Stat. 202.)

PROCLAMATIONS AFFIRMED

Effect of act April 7, 1938, ch. 107, 52 Stat. 202, see note under section 1312 of this title.

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 1329. Apportionment of acreage allotment.—(a) The acreage allotment for corn shall be apportioned by the Secretary among the counties in the commercial corn-producing area on the basis of the acreage seeded for the production of corn during the ten calendar years immediately preceding the calendar year in which the apportionment is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and for trends in acreage during such period and for the promotion of soil-conservation practices: *Provided*, That any downward adjustment for the promotion of soil-conservation practices shall not exceed 2 per centum of the total acreage allotment that would otherwise be made to such county.

(b) The acreage allotment to the county for corn shall be apportioned by the Secretary, through the local committees, among the farms within the county on the basis of tillable acreage, crop-rotation practices, type of soil, and topography. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 329, 52 Stat. 52.)

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 1330. Supplemental provisions relating to corn and wheat marketing quotas.—Notwithstanding the other provisions of this chapter (hereinafter referred to as this chapter)—

(1) The farm marketing quota under this chapter for any crop of wheat shall be the actual production of the acreage planted to wheat on the farm, less the normal production or the actual production, whichever is the smaller, of that acreage planted to wheat on the farm which is in excess of the farm acreage allotment for wheat. The farm marketing quota under this chapter for any crop of corn shall be the actual production of the acreage planted to corn on the farm, less the normal production or the actual production, whichever is the smaller, of that acreage planted to corn on the farm which is in excess of the farm acreage allotment for corn.

The normal production, or the actual production, whichever is the smaller, of such excess acreage is hereinafter called the “farm marketing excess” of corn or wheat, as the case may be. For the purposes of this section, “actual production” of any number of acres of corn or wheat on a farm means the actual average

yield of corn or wheat, as the case may be, for the farm times such number of acres.

(2) During any marketing year for which quotas are in effect, the producer shall be subject to a penalty on the farm marketing excess of corn and wheat. The rate of the penalty shall be 50 per centum of the basic rate of the loan on the commodity for cooperators for such marketing year under section 1302 of this chapter and this section.

(3) The farm marketing excess for corn and wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts to be delivered to the Secretary of the commodity shall be computed upon the normal production of the excess acreage. Where, upon the application of the producer for an adjustment of penalty or of storage, it is shown to the satisfaction of the Secretary that the actual production of the excess acreage is less than the normal production thereof, the difference between the amount of the penalty or storage as computed upon the basis of normal production and as computed upon the basis of actual production shall be returned to or allowed the producer. The Secretary shall issue regulations under which the farm marketing excess of the commodity for the farm may be stored or delivered to him. Upon failure to store or deliver to the Secretary the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary, the penalty computed as aforesaid shall be paid by the producer. Any corn or wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or in foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce.

(4) Until the producers on any farm store, deliver to the Secretary, or pay the penalty on, the farm marketing excess of any crop of corn or wheat, the entire crop of corn or wheat, as the case may be, produced on the farm shall be subject to a lien in favor of the United States for the amount of the penalty.

(5) The penalty upon corn or wheat stored shall be paid by the producer at the time, and to the extent, of any depletion in the amount of the commodity so stored, except depletion resulting from some cause beyond the control of the producer.

(6) Whenever the planted acreage of the then current crop of corn or wheat on any farm is less than the farm acreage allotment for such commodity, the total amount of the commodity from any previous crops required to be stored in order to postpone or avoid payment of penalty shall be reduced by that amount which is equal to the normal production of the number of acres by which the farm acreage allotment exceeds the planted acreage. The provisions of section 1326 (b) and (c) of this chapter shall be applicable also to wheat.

(7) A farm marketing quota on corn or wheat shall not be applicable to any farm on which the acreage planted to the commodity is not in excess of fifteen acres. The marketing penalty on corn or wheat shall not be applicable to any farm which, under

the terms of the then current agricultural conservation program formulated under sections 590g-590q of Title 16, is classified as a nonallotment farm if the acreage of the commodity harvested on such nonallotment farm is not in excess of fifteen acres or the acreage allotment for the farm, whichever is larger. If the acreage of the commodity harvested on any such nonallotment farm is in excess of fifteen acres and in excess of such acreage allotment, the normal production or the actual production, whichever is the smaller, of the acreage harvested in excess of excess of fifteen acres or such acreage allotment, whichever is larger, shall be taken as the farm marketing excess and shall be subject to penalty: *Provided*, That there shall be no penalty on wheat harvested on any such nonallotment farm from which no wheat is sold if the acreage of wheat harvested on such farm does not exceed such acreage per family living thereon as may be used for home consumption without reducing the payment with respect to the farm under the then current agricultural conservation program: *Provided further*, That for the marketing year beginning in 1941, there shall be no marketing penalty on wheat with respect to any such nonallotment farm if the acreage of wheat harvested on the farm is not in excess of the usual acreage determined for the farm under the 1941 agricultural conservation program and the county committee determines, in accordance with regulations of the Secretary, that there will not be marketed an amount of wheat in excess of the 1941 farm marketing quota.

(8) Until the farm marketing excess of corn or wheat, as the case may be, is stored or delivered to the Secretary or the penalty thereon is paid, each bushel of the commodity produced on the farm which is sold by the producer to any person within the United States shall be subject to the penalty as specified in paragraph (2) of this section. Such penalty shall be paid by the buyer, who may deduct an amount equivalent to the penalty from the price paid to the producer.

(9) The marketing penalty for cotton and rice produced in the calendar year in which any marketing year begins (if beginning with or after the 1941-1942 marketing year) shall be at a rate equal to 50 per centum of the basis rate of the loan for cooperators for such marketing year under section 1302 of this chapter and this section.

(10) The Commodity Credit Corporation is directed to make available upon the 1941, 1942, 1943, 1944, 1945 and 1946 crops of the commodities cotton, corn, wheat, rice, tobacco and peanuts, for which producers have not disapproved marketing quotas for the marketing year beginning in the calendar year in which such crop is harvested, loans as follows:

(a) To cooperators (except cooperators outside the commercial corn-producing area, in the case of corn) at the rate of 85 per centum of the parity price for the commodity as of the beginning of the marketing year;

(b) To cooperators outside the commercial corn-producing area, in the case of corn, at the rate of 75 per centum of the rate specified in (a) above;

(c) To noncooperators (except noncooperators outside the commercial corn-producing area, in the case of corn) at the rate of 60 per centum of the rate specified in (a) above and only on so much of the commodity as would be subject to penalty if marketed.

(11) The provisions of this section are amendatory of and supplementary to this chapter, and all provisions of law applicable in respect of marketing quotas and loans under such chapter as so amended and supplemental shall be applicable, but nothing in this section shall be construed to amend or repeal section 1301 (b) (6), 1323 (b), or 1335 (d) of this chapter.

(12) Notwithstanding any of the foregoing provisions, the farm marketing excess for any crop of wheat for any farm shall not be larger than the amount by which the actual production of such crop of wheat on the farm exceeds the normal production of the farm wheat-acreage allotment, if the producer establishes such actual production to the satisfaction of the Secretary. Where a downward adjustment in the amount of the farm marketing excess is made pursuant to the provisions of this paragraph, the difference between the amount of the penalty or storage as computed upon the farm marketing excess before such adjustment and as computed upon the adjusted farm marketing excess shall be returned to or allowed the producer. (May 26, 1941, ch. 133, 55 Stat. 203, as amended Dec. 26, 1941, ch. 626, § 2, 55 Stat. 860, eff. Dec. 26, 1941; Dec. 26, 1941, ch. 636, 55 Stat. 872, eff. May 26, 1941.)

AMENDMENTS

1941—Par. (10) was amended by act Dec. 26, 1941, ch. 626, cited to text.

Par. (12) was added, effective as of May 26, 1941, by act Dec. 26, 1941, ch. 636, cited to text.

CODIFICATION

Section is not a part of the Agricultural Adjustment Act of 1938.

PART III.—MARKETING QUOTAS—WHEAT

§ 1331. Legislative finding of effect on interstate and foreign commerce and necessity of regulation.—Wheat is a basic source of food for the Nation, is produced throughout the United States by more than a million farms, is sold on the country-wide market and, as wheat or flour, flows almost entirely through instrumentalities of interstate and foreign commerce from producers to consumers.

Abnormally excessive and abnormally deficient supplies of wheat on the country-wide market acutely and directly affect, burden, and obstruct interstate and foreign commerce. Abnormally excessive supplies overtax the facilities of interstate and foreign transportation, congest terminal markets and milling centers in the flow of wheat from producers to consumers, depress the price of wheat in interstate and foreign commerce, and otherwise disrupt the orderly marketing of such commodity in such commerce. Abnormally deficient supplies result in an inadequate flow of wheat and its products in interstate and foreign commerce with consequent injurious effects to the instrumentalities of such commerce and with excessive increases

in the prices of wheat and its products in interstate and foreign commerce.

It is in the interest of the general welfare that interstate and foreign commerce in wheat and its products be protected from such burdensome surpluses and distressing shortages, and that a supply of wheat be maintained which is adequate to meet domestic consumption and export requirements in years of drought, flood, and other adverse conditions as well as in years of plenty, and that the soil resources of the Nation be not wasted in the production of such burdensome surpluses. Such surpluses result in disastrously low prices of wheat and other grains to wheat producers, destroy the purchasing power of grain producers for industrial products, and reduce the value of the agricultural assets supporting the national credit structure. Such shortages of wheat result in unreasonably high prices of flour and bread to consumers and loss of market outlets by wheat producers.

The conditions affecting the production and marketing of wheat are such that, without Federal assistance, farmers individually or in cooperation, cannot effectively prevent the recurrence of such surpluses and shortages and the burdens on interstate and foreign commerce resulting therefrom, maintain normal supplies of wheat, or provide for the orderly marketing thereof in interstate and foreign commerce.

The provisions of sections 1331-1339 of this title affording a cooperative plan to wheat producers are necessary in order to minimize recurring surpluses and shortages of wheat in interstate and foreign commerce, to provide for the maintenance of adequate reserve supplies thereof, and to provide for an adequate flow of wheat and its products in interstate and foreign commerce. The provisions hereof for regulation of marketings by producers of wheat whenever an abnormally excessive supply of such commodity exists are necessary in order to maintain an orderly flow of wheat in interstate and foreign commerce under such conditions. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 331, 52 Stat. 52.)

§ 1332. Proclamations of supplies and allotments.—Not later than July 15 of each marketing year for wheat, the Secretary shall ascertain and proclaim the total supply and the normal supply of wheat for such marketing year, and the national acreage allotment for the next crop of wheat. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 332, 52 Stat. 53.)

§ 1333. National acreage allotment.—The national acreage allotment for any crop of wheat shall be that acreage which the Secretary determines will, on the basis of the national average yield for wheat, produce an amount thereof adequate, together with the estimated carry-over at the beginning of the marketing year for such crop, to make available a supply for such marketing year equal to a normal year's domestic consumption and exports plus 30 per centum thereof. The national acreage allotment for wheat for 1938 shall be sixty-two million five hundred

thousand acres. The national acreage allotment for wheat for any year shall be not less than fifty-five million acres. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 333, 52 Stat. 53; June 20, 1938, ch. 518, 52 Stat. 775; July 26, 1939, ch. 377, 53 Stat. 1125.)

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 1334. Apportionment of national acreage allotment—(a) Apportionment among States.—The national acreage allotment for wheat shall be apportioned by the Secretary among the several States on the basis of the acreage seeded for the production of wheat during the ten calendar years immediately preceding the calendar year in which the national acreage allotment is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and for trends in acreage during such period.

(b) Apportionment among counties.—The State acreage allotment for wheat shall be apportioned by the Secretary among the counties in the State, on the basis of the acreage seeded for the production of wheat during the ten calendar years immediately preceding the calendar year in which the national acreage allotment is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and trends in acreage during such period and for the promotion of soil-conservation practices.

(c) Apportionment among farms.—The allotment to the county shall be apportioned by the Secretary, through the local committees, among the farms within the county on the basis of tillable acres, crop-rotation practices, type of soil, and topography. Not more than 3 per centum of such county allotment shall be apportioned to farms on which wheat has not been planted during any of the three marketing years immediately preceding the marketing year in which the allotment is made.

Adjustment of allotment upon acquisition of part of farms by United States for defense.—**(d)** Notwithstanding any other provision of this section, the allotments established, or which would have been established, for any farm acquired in 1940 or thereafter by the United States for national-defense purposes shall be placed in an allotment pool and shall be used only to establish allotments for other farms owned or acquired by the owner of the farm so acquired by the United States. The allotment so made for any farm, including a farm on which wheat has not been planted during any of the three marketing years preceding the marketing year in which the allotment is made, shall compare with the allotments established for other farms in the same area which are similar except for the past acreage of wheat. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 334, 52 Stat. 53; Apr. 7, 1938, ch. 107, § 7, 52 Stat. 203, Feb. 6, 1942, ch. 44, § 2, 56 Stat. 52.)

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 1335. Marketing quotas—(a) Establishment.—Whenever it shall appear that the total supply of wheat as of the beginning of any marketing year will exceed a normal year's domestic consumption and exports by more than 35 per centum, the Secretary shall, not later than the May 15 prior to the beginning of such marketing year, proclaim such fact and, during the marketing year beginning July 1 and continuing throughout such marketing year, a national marketing quota shall be in effect with respect to the marketing of wheat. The Secretary shall ascertain and specify in the proclamation the amount of the national marketing quota in terms of a total quantity of wheat and also in terms of a marketing percentage of the national acreage allotment for the current crop which he determines will, on the basis of the national average yield of wheat, produce the amount of the national marketing quota. Marketing quotas for any marketing year shall be in effect with respect to wheat harvested in the calendar year in which such marketing year begins notwithstanding that the wheat is marketed prior to the beginning of such marketing year. No marketing quota with respect to the beginning of wheat shall be in effect for the marketing year beginning July 1, 1938, unless prior to the date of the proclamation of the Secretary, provision has been made by law for the payment, in whole or in part, in 1938 of parity payments with respect to wheat.

(b) Amount of national marketing quota.—The amount of the national marketing quota for wheat shall be equal to a normal year's domestic consumption and exports plus 30 per centum thereof, less the sum of (1) the estimated carry-over of wheat as of the beginning of the marketing year with respect to which the quota is proclaimed and (2) the estimated amount of wheat which will be used on farms as seed or livestock feed during the marketing year.

(c) Amount of farm marketing quota.—The farm marketing quota for any farm for any marketing year shall be a number of bushels of wheat equal to the sum of—

(1) A number of bushels equal to the normal production or the actual production, whichever is the greater, of the farm acreage allotment; and

(2) A number of bushels equal to the amount, or part thereof, of wheat from any previous crop which the farmer has on hand which, had such amount, or part thereof, been marketed during the preceding marketing year in addition to the wheat actually marketed during such preceding marketing year, could have been marketed without penalty.

(3) Any farmer who does not market wheat in excess of the normal production or the actual production, whichever is the greater, of the farm acreage allotment shall not be subject to penalty under the provisions of section 1339 of this title. Any farmer who stores, in accordance with regulations issued by the

Secretary, an amount of wheat which is less than the amount subject to penalty, shall be presumed to have marketed the amount of such wheat subject to penalty which is not so stored.

(d) Production essential for application of farm quota.—No farm marketing quota with respect to wheat shall be applicable in any marketing year to any farm on which the normal production of the acreage planted to wheat of the current crop is less than two hundred bushels. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 335, 52 Stat. 54; July 26, 1939, ch. 379, 53 Stat. 1126; June 6, 1940, ch. 237, 54 Stat. 232.)

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

Supplemental provisions relating to corn and wheat marketing quotas, see section 1330 of this title.

§ 1336. Referendum.—Between the date of issuance of any proclamation of any national marketing quota for wheat and June 10, the Secretary shall conduct a referendum, by secret ballot, of farmers who will be subject to the quota specified therein to determine whether such farmers favor or oppose such quota. If more than one-third of the farmers voting in the referendum oppose such quota, the Secretary shall, prior to the effective date of such quota, by proclamation suspend the operation of the national marketing quotas with respect to wheat. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 336, 52 Stat. 55.)

§ 1337. Adjustment and suspension of quotas.—(a) If the total supply as proclaimed by the Secretary within forty-five days after the beginning of the marketing year is less than that specified in the proclamation by the Secretary under section 1335 (a) of this title, then the national marketing quota specified in the proclamation under such section shall be increased accordingly.

(b) Whenever it shall appear from either the July or the August production estimates, officially published by the Division of Crop and Livestock Estimates of the Bureau of Agricultural Economics of the Department, that the total supply of wheat as of the beginning of the marketing year was less than a normal year's domestic consumption and exports plus 30 per centum thereof, the Secretary shall proclaim such fact prior to July 20, or August 20, as the case may be, if farm marketing quotas have been announced with respect to the crop grown in such calendar year. Thereupon such quotas shall become ineffective. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 337, 52 Stat. 55.)

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 1338. Transfer of quotas.—Farm marketing quotas for wheat shall not be transferable, but, in accordance with regulations prescribed by the Secretary for such purpose, any farm marketing quota in excess of the supply of wheat for such farm for any

marketing year may be allocated to other farms on which the acreage allotment has not been exceeded. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 338, 52 Stat. 55.)

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 1339. Penalties.—Any farmer who, while farm marketing quotas are in effect, markets wheat in excess of the farm marketing quota for the farm on which such wheat was produced, shall be subject to a penalty of 15 cents per bushel of the excess so marketed. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 339, 52 Stat. 55.)

CROSS REFERENCE

Inapplicability of penalties to section 1335, see section 1335 (c) (3) of this title.

Supplemental provisions relating to corn and wheat marketing quotas, see section 1330 of this title.

PART IV.—MARKETING QUOTAS—COTTON

§ 1341. Legislative finding of effect on interstate and foreign commerce and necessity of regulation.—American cotton is a basic source of clothing and industrial products used by every person in the United States and by substantial numbers of people in foreign countries. American cotton is sold on a world-wide market and moves from the places of production almost entirely in interstate and foreign commerce to processing establishments located throughout the world at places outside the State where the cotton is produced.

Fluctuations in supplies of cotton and the marketing of excessive supplies of cotton in interstate and foreign commerce disrupt the orderly marketing of cotton in such commerce with consequent injury to and destruction of such commerce. Excessive supplies of cotton directly and materially affect the volume of cotton moving in interstate and foreign commerce and cause disparity in prices of cotton and industrial products moving in interstate and foreign commerce with consequent diminution of the volume of such commerce in industrial products.

The conditions affecting the production and marketing of cotton are such that, without Federal assistance, farmers, individually or in cooperation, cannot effectively prevent the recurrence of excessive supplies of cotton and fluctuations in supplies, cannot prevent indiscriminate dumping of excessive supplies on the Nation-wide and foreign markets, cannot maintain normal carry-overs of cotton, and cannot provide for the orderly marketing of cotton in interstate and foreign commerce.

It is in the interest of the general welfare that interstate and foreign commerce in cotton be protected from the burdens caused by the marketing of excessive supplies of cotton in such commerce, that a supply of cotton be maintained which is adequate to meet domestic consumption and export requirements in years of drought, flood, and other adverse conditions as well as in years

of plenty, and that the soil resources of the Nation be not wasted in the production of excessive supplies of cotton.

The provisions of sections 1341-1350 of this title affording a cooperative plan to cotton producers are necessary and appropriate to prevent the burdens on interstate and foreign commerce caused by the marketing in such commerce of excessive supplies, and to promote, foster, and maintain an orderly flow of an adequate supply of cotton in such commerce. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 341, 52 Stat. 55.)

§ 1342. Finding and proclamation of supplies, etc.—Not later than November 15 of each year the Secretary shall find and proclaim (a) the total supply, the normal supply, and the carry-over of cotton as of August 1 of such year, (b) the probable domestic consumption of American cotton during the marketing year commencing August 1 of such year, (c) the probable exports of American cotton during such marketing year, and (d) the estimated carry-over of cotton as of the next succeeding August 1. For the marketing year 1937-1938 the Secretary shall make all the findings and proclamations provided for in this section not later than ten days after the date of the enactment of this chapter. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 342, 52 Stat. 56.)

§ 1343. Amount of national allotment.—(a) Not later than November 15 of each year the Secretary shall find and proclaim the amount of the national allotment of cotton for the succeeding calendar year in terms of standard bales of five hundred pounds gross weight. The national allotment shall be the number of bales of cotton adequate, together with the estimated carry-over as of August 1 of such succeeding calendar year to make available a supply of cotton, for the marketing year beginning on such August 1, equal to the normal supply. The finding and proclamation of the national allotment for the calendar year 1938 shall be made not later than ten days after the date of the enactment of this chapter.

(b) If the national allotment for 1938 or 1939 is determined to be less than ten million bales, the national allotment for such year shall be ten million bales for such year, as the case may be. If the national allotment for 1938 or 1939 is determined to be more than eleven million five hundred thousand bales, it shall be eleven million five hundred thousand bales for such year, as the case may be. The national allotment for any year (after 1939) shall not be less than ten million bales.

(c) Notwithstanding the foregoing provisions of this section, the national allotment for any year shall be increased by a number of bales equal to the production of the acres allotted under section 1344 (e) of this title for such year. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 343, 52 Stat. 56; Apr. 7, 1938, ch. 107, § 8, 52 Stat. 203; July 26, 1939, ch. 376, 53 Stat. 1125.)

§ 1344. Apportionment of national allotment.—(a) **Apportionment among States.**—The national allotment for cotton for each year (excluding that portion of the national allotment provided for in section 1343 (c) of this title) shall be apportioned by the Secretary among the several States on the basis of the average,

for the five years preceding the year in which the national allotment is determined, of the normal production of cotton in each State. The normal production of a State for a year shall be (1) the quantity produced therein plus (2) the normal yield of the acres diverted in each county in the State under the previous agricultural adjustment or conservation programs. The normal yield of the acres diverted in any county in any year shall be the average yield per acre of the planted acres in such county in such year times the number of acres diverted in such county in such year.

(b) State acreage allotment.—The Secretary shall ascertain, on the basis of the average yield per acre in each State, a number of acres in such State which will produce a number of bales equal to the allotment made to the State under subsection (a). Such number of acres plus the number of acres allotted to the State pursuant to subsection (e) (2) is referred to as the “State acreage allotment.” The average yield per acre for any State shall be determined on the basis of the average of the normal production for the State for the years used in computing the allotment to the State, and the average, for the same period, of the acres planted and the acres diverted in the State.

(c) Apportionment among counties; limitation on apportionment to nonproducing farms.—(1) The State acreage allotment (less the amount required for apportionment under paragraph (2)) shall be apportioned annually by the Secretary to the counties in the State. The apportionment to the counties shall be made on the basis of the acreage planted to cotton during the five calendar years immediately preceding the calendar year in which the State allotment is apportioned (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and trends in acreage during such five-year period.

(2) Not more than 2 per centum of the State acreage allotment shall be apportioned to farms in such State which were not used for cotton production during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton; crop rotation practices; and the soil and other physical facilities affecting the production of cotton.

(d) Apportionment among farms.—The allotment apportioned to the county under subsection (c) (1), plus any amount allotted to the county under subsection (e), shall be apportioned by the Secretary, through the local committees, among the farms within the county on the following basis:

(1) To each farm on which cotton has been planted during any of the previous three years there shall be allotted the smaller of the following—

(A) Five acres; or

(B) The highest number of acres planted to cotton (plus the acres diverted from the production of cotton under the agricultural adjustment or conservation programs) in any year of such three-year period;

(2) Not more than 3 per centum of the amount remaining, after making the allotments provided for under paragraph (1), shall be allotted, upon such basis as the Secretary deems fair and equitable, to farms (other than farms to which an allotment has been made under paragraph (1) (B)) to which an allotment of not exceeding fifteen acres may be made under other provisions of this subsection; and

(3) The remainder of the total amount available to the county shall be allotted to farms on which cotton has been planted during any of the previous three years (except farms to which an allotment has been made under paragraph (1) (B)). The allotment to each farm under this paragraph, together with the amount of the allotment to such farm under paragraph (1) (A), shall be a prescribed percentage (which percentage shall be the same for all such farms in the county or administrative area) of the acreage, during the preceding year, on the farm which is tilled annually or in regular rotation, excluding from such acreage the acres devoted to the production of sugarcane for sugar, wheat, tobacco, or rice for market or wheat or rice for feeding to livestock for market: *Provided, however,* That if a farm would be allotted under this paragraph an acreage, together with the amount of the allotment to such farm under paragraph (1) (A), in excess of the largest acreage planted to cotton plus the acreage diverted from the production of cotton under the agricultural adjustment or conservation program during any of the preceding three years, the acreage allotment for such farm shall not exceed such largest acreage so planted and diverted in any such year.

(e) County acreage allotment; minimum State acreage allotment.—(1) for 1938, 1939, and any subsequent year, the Secretary shall allot to the several counties, to which an apportionment is made under subsection (c), a number of acres required to provide a total acreage for allotment under this section to such counties of not less than 60 per centum of the sum of (1) the acreage planted to cotton in such counties in 1937, plus (2) the acreage therein diverted from cotton production in 1937 under the agricultural adjustment and conservation program. The acreage so diverted shall be estimated in case data are not available at the time of making such allotment.

(2) The Secretary shall allot to each State to which an allotment is made under subsection (b), and in which at least three thousand five hundred bales were produced in any of the five years immediately preceding the year for which the allotment is made, a number of acres sufficient to provide a total State acreage allotment for such State of not less than five thousand acres.

(f) Matters considered in apportionment among farms.—In apportioning the county allotment among the farms within the county, the Secretary, through the local committees, shall take into consideration different conditions within separate administrative areas within a county if any exist, including types, kinds, and productivity of the soil so as to prevent discrimination among the administrative areas of the county.

(g) Additional county and farm acreage allotments.—For 1938, 1939, and each subsequent year an acreage equal to 4 per centum of the State acreage allotment shall be apportioned by the Secretary, to counties and farms in the State receiving allotments under sections 1341-1350 of this title, in the following manner:

(1) An amount of the additional allotment provided for in this subsection sufficient to allot to each farm the acreage allotments provided for in subparagraphs (A) and (B) of paragraph (1) of subsection (d) of this section shall be used for making such acreage allotments as therein provided.

(2) In counties in which the allotment is not sufficient to provide adequate and representative allotments to other farms in the county as a result of the allotments required by section 1344 (d) (1) (A) and (B) of this title, an additional acreage shall be allotted to such farms to make the allotment to each of such farms as nearly equal to the allotment which would have been made to such farms in the absence of the provisions of (A) and (B) of subsection 1344 (d) (1) of this title as the remainder of the 4 per centum will permit.

(3) After making the allotments provided for in paragraphs (1) and (2) of this subsection the remainder of the 4 per centum may be apportioned in amounts determined by the Secretary to be fair and reasonable to farms or counties receiving allotments which the Secretary determines are inadequate and not representative in view of past production of cotton on the farm or in the county.

(h) Minimum county and farm acreage allotments.—Notwithstanding any other provisions of this section, the cotton acreage allotment for any farm for 1938, 1939, and each subsequent year, after making the allotments provided in subsection (g), shall be increased by such amount as may be necessary to provide an allotment of not less than 50 per centum of the sum of the acreage planted in cotton in 1937 and the acreage diverted from cotton production in 1937 under the agricultural conservation program, as determined for each farm in accordance with regulations prescribed by the Secretary and for any crop year any part of the acreage allotted to individual farms in the State which it is determined, in accordance with regulations prescribed by the Secretary, will not be planted to cotton in the year for which the allotment is made, shall be deducted from the allotments to such farms and may be apportioned, in amounts determined by the Secretary to be fair and reasonable, preference being given to farms in the same county receiving allotments which the Secretary determines are inadequate and not representative in view of the past production of cotton and the acreage diverted from the production of cotton on such farms under the agricultural conservation program in the immediately preceding year: *Provided*, That any such transfer of allotment shall not affect apportionment for any subsequent year: *Provided*, That this subsection shall not operate to raise the cotton acreage of any farm above 40 per centum of the acreage on such farm which is tilled annually or in regular rotation, as determined under regulations prescribed by the Secretary.

(i) **Acreage under subsections (g) and (h) as additional to State and national allotments.**—The acreage required for apportionment under subsections (g) and (h) shall be in addition to the State acreage allotment, and the production of such acreage shall be in addition to the national allotment.

Adjustment of allotment upon acquisition of part of farms by United States for defense.—(j) Notwithstanding any other provision of this section, the allotment established, or which would have been established, for any farm acquired in 1940 or thereafter by the United States for national-defense purposes shall be placed in an allotment pool and shall be used only for establishing allotments for farms owned or acquired by the owner of the farm so acquired by the United States. The allotment so made for any farm, including a farm which was not used for cotton production during any of the three calendar years immediately preceding the year for which the allotment is made, shall compare with the allotments established for other farms in the same area which are similar except for the past acreage of cotton, taking into consideration the character and adaptability of soil and other physical facilities affecting the production of cotton. Allotments established pursuant to this subsection shall not affect the allotments for other farms in the county and the acreage allotted to farms in the county shall be increased to the extent of such allotments. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 344, 52 Stat. 57; April 7, 1938, ch. 107, § 9, 52 Stat. 203; May 31, 1938, ch. 292, § 1, 52 Stat. 586; Mar. 13, 1939, ch. 9, 53 Stat. 512; June 22, 1939, ch. 238, §§ 1-3, 53 Stat. 853; Feb. 6, 1942, ch. 44 § 3, 56 Stat. 52.)

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

COUNTY COMMITTEE ALLOTMENT

Act March 13, 1939, in addition to amending subsection (h), contained the following proviso: "*Provided*, That hereafter such allotment of acreage in counties shall be to such farms as the County Committee of such county may designate. In making such designation the County Committee shall consider only the character and adaptability of the soil and other physical facilities affecting the production of cotton and the need of operator for an additional allotment to meet the requirement of the families engaging in the production of cotton on the farm in such year."

§ 1345. Marketing quotas.—Whenever the Secretary determines that the total supply of cotton for any marketing year exceeds by more than 7 per centum the normal supply thereof for such marketing year, the Secretary shall proclaim such fact not later than November 15 of such marketing year (or, in case of the marketing year 1937-1938, within ten days after the date of enactment of this chapter), and marketing quotas shall be in effect during the next succeeding marketing year with respect to the marketing of cotton. Cotton produced in the calendar year in which such marketing year begins shall be subject to the quotas in effect for such marketing year notwithstanding that it may be marketed prior to August 1. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 345, 52 Stat. 58.)

PROCLAMATIONS AFFIRMED

Effect of act April 7, 1938, ch. 107, 52 Stat. 202, see note under section 1312 of this title.

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

Supplemental provisions relating to marketing quotas, see section 1330 (10), this title.

§ 1346. Amount of farm marketing quotas; exemption from penalties.—(a) The farm marketing quota for cotton for any farm for any marketing year shall be a number of bales of cotton equal to the sum of—

(1) A number of bales equal to the normal production or the actual production, whichever is the greater, of the farm acreage allotment, and

(2) A number of bales equal to the amount, or part thereof, of cotton from any previous crop which the farmer has on hand, which, had such amount, or part thereof, been marketed during the preceding marketing year in addition to the cotton actually marketed during such preceding marketing year, could have been marketed without penalty.

(b) The penalties provided for in section 1348 of this title shall not apply to the marketing of cotton produced on any farm for which a farm acreage allotment has been made for the current crop if the production of the current crop does not exceed one thousand pounds of lint cotton. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 346, 52 Stat. 59.)

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 1347. Referendum.—Not later than December 15 of any calendar year in which a proclamation of farm marketing quotas pursuant to the provisions of sections 1341-1350 of this title has been made, the Secretary shall conduct a referendum, by secret ballot, of farmers who were engaged in production of the crop harvested prior to the holding of the referendum to determine whether they favor or oppose such quotas. If more than one-third of the farmers voting in the referendum oppose such quotas, the Secretary shall, prior to the end of such calendar year, proclaim the result of the referendum, and upon such proclamation the quotas shall become ineffective. If a proclamation under section 1345 of this title is made with respect to the 1938 crop, the referendum with respect to such crop shall be held not later than thirty days after the date of the enactment of this chapter and the result thereof shall be proclaimed not later than forty-five days after such date. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 347, 52 Stat. 59.)

PROCLAMATIONS AFFIRMED

Effect of act April 7, 1938, ch. 107, 52 Stat. 202, see note under section 1312 of this title.

§ 1348. Penalties.—Any farmer who, while farm marketing quotas are in effect, markets cotton in excess of the farm market-

ing quota for the marketing year for the farm on which such cotton was produced, shall be subject to the following penalties with respect to the excess so marketed: 2 cents per pound if marketed during the first marketing year when farm marketing quotas are in effect; and 3 cents per pound if marketed during any subsequent year, except that the penalty shall be 2 cents per pound if cotton of the crop subject to penalty in the first year is marketed subject to penalty in any subsequent year. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 348, 52 Stat. 59.)

§ 1349. Exceeding acreage allotment as affecting eligibility for payments; statement of compliance.—(a) Any person who knowingly plants cotton on his farm in any year on acreage in excess of the farm acreage allotment for cotton for the farm for such year under section 1344 of this title shall not be eligible for any payment for such year under sections 590a-590q of Title 16.

(b) All persons applying for any payment of money under sections 590a-590q of Title 16, with respect to any farm located in a county in which cotton has been planted during the year for which such payment is offered, shall file with the application a statement that the applicant has not knowingly planted, during the current year, cotton on land on his farm in excess of the acreage allotted to the farm under section 1344 of this title for such year. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 349, 52 Stat. 59; April 7, 1938, ch. 107, § 10, 52 Stat. 204.)

§ 1350. Application to long staple cotton.—The provisions of sections 1341-1350 of this title shall not apply to cotton the staple of which is 1½ inches or more in length. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 350, 52 Stat. 60.)

PART V.—MARKETING QUOTAS—RICE

§ 1351. Legislative finding of effect on interstate and foreign commerce and necessity for regulation.—(a) The marketing of rice constitutes one of the great basic industries of the United States with ramifying activities which directly affect interstate and foreign commerce at every point, and stable conditions therein are necessary to the general welfare. Rice produced for market is sold on a Nation-wide market, and, with its products, moves almost wholly in interstate and foreign commerce from the producer to the ultimate consumer. The farmers producing such commodity are subject in their operations to uncontrollable natural causes, in many cases such farmers carry on their farming operations on borrowed money or leased lands, and are not so situated as to be able to organize effectively, as can labor and industry, through unions and corporations enjoying Government sanction and protection for joint economic action. For these reasons, among others, the farmers are unable without Federal assistance to control effectively the orderly marketing of such commodity with the result that abnormally excessive supplies thereof are produced and dumped indiscriminately on the Nation-wide market.

(b) The disorderly marketing of such abnormally excessive supplies affects, burdens, and obstructs interstate and foreign

commerce by (1) materially affecting the volume of such commodity marketed therein, (2) disrupting the orderly marketing of such commodity therein, (3) reducing the prices for such commodity with consequent injury and destruction of such commerce in such commodity, and (4) causing a disparity between the prices for such commodity in interstate and foreign commerce and industrial products therein, with a consequent diminution of the volume of interstate and foreign commerce in industrial products.

(c) Whenever an abnormally excessive supply of rice exists, the marketing of such commodity by the producers thereof directly and substantially affects interstate and foreign commerce in such commodity and its products, and the operation of the provisions of sections 1351-1356 of this title becomes necessary and appropriate in order to promote, foster, and maintain an orderly flow of such supply in interstate and foreign commerce. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 351, 52 Stat. 60.)

§ 1352. National acreage allotment.—The national acreage allotment of rice for any calendar year shall be that acreage which the Secretary determines will, on the basis of the national average yield of rice for the five calendar years immediately preceding the calendar year for which such national average yield is determined, produce an amount of rice adequate, together with the estimated carry-over from the marketing year ending in such calendar year, to make available a supply for the marketing year commencing in such calendar year not less than the normal supply. Such national acreage allotment shall be proclaimed not later than December 31 of each year. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 352, 52 Stat. 60.)

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 1353. Apportionment of national acreage allotment—(a) Apportionment among States.—The national acreage allotment of rice for each calendar year shall be apportioned by the Secretary among the several States in which rice is produced in proportion to the average number of acres of rice in each State during the five-year period immediately preceding the calendar year for which such national acreage allotment of rice is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs) with adjustments for trends in acreage during the applicable period.

(b) Apportionment among producers.—Not less than 97 per centum of the acreage allotted to any State shall be apportioned annually by the Secretary through local and State committees of farmers among the persons producing rice within such State on the basis of past production of rice; land, labor, and available equipment for the production of rice; crop-rotation practices, soil fertility, and other physical factors affecting the production of rice: *Provided*, That not exceeding 3 per centum of the acreage allotted to each State shall be apportioned annually by the Secretary through local and State committees of farmers among persons who for the first time in the past five years are producing

rice on the basis of the applicable standards of apportionment set forth in this subsection: *Provided further*, That a person producing rice for the first time in five years shall not be allotted an acreage in excess of 75 per centum of the allotment that would be made to him if he were not producing rice for the first time in such five years. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 353, 52 Stat. 61.)

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 1354. Domestic allotment of rice—(a) Finding and proclamation.—Not later than December 31 of each year the Secretary shall ascertain from the latest available statistics of the Department and shall proclaim the total amount of rice which will be needed during the next succeeding marketing year to meet the requirements of consumers in the United States. Such amount is hereinafter referred to as the “domestic allotment of rice.”

(b) Apportionment among States.—The domestic allotment of rice for each marketing year shall be apportioned by the Secretary among the several States in which rice is produced in proportion to the average amount of rice produced in each State during the five-year period including the calendar year in which such domestic allotment is announced (plus, in applicable years, the normal production of any acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and trends in acreage during the applicable period.

(c) Apportionment among producers.—The Secretary shall provide, through local and State committees of farmers, for the allotment of each State apportionment among persons producing rice in such State. The apportionment of the domestic allotment of rice among persons producing rice in each State shall be on the basis of the aggregate normal yields of the acreage allotments established with respect to such persons. Feb. 16, 1938, 3 p. m., ch. 30, title III, § 354, 52 Stat. 61.)

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 1355. Marketing quotas—(a) Proclamation.—If at the time of any proclamation made under the provisions of section 1354 (a) of this title it shall appear from the latest available statistics of the Department that the total supply of rice exceeds the normal supply thereof for the current marketing year by more than 10 per centum of such normal supply, the Secretary shall also proclaim that, beginning on the first day of the marketing year next following and continuing throughout such year a national marketing quota shall be in effect for marketings of rice by producers: *Provided*, That no marketing quota shall be in effect for the marketing year commencing August 1, 1938. The Secretary shall also ascertain and specify in such proclamation the amount of the

national marketing quota in terms of the total quantity thereof which may be marketed by producers which shall be that amount of rice which the Secretary determines will make available during such marketing year a normal supply.

(b) **Referendum.**—Within thirty days after the date the issuance of the proclamation specified in subsection (a) of this section, the Secretary shall conduct a referendum, by secret ballot, of producers who would be subject to the national marketing quota for rice to determine whether such producers are in favor of or opposed to such quota. If more than one-third of the producers voting in the referendum oppose such quota, the Secretary shall, prior to the 15th day of February, proclaim the result of the referendum, and such quota shall not become effective.

(c) **Apportionment among States and producers.**—The national marketing quota shall be apportioned among States and persons producing rice in each State, including new producers, in the manner and upon the basis set forth in section 1354 of this title for the apportionment of the domestic allotment of rice.

(d) **Transfer of quotas.**—Marketing quotas may be transferred only in such manner and subject to such conditions as the Secretary may prescribe by regulations. (Feb. 16, 1938, 3 p. m., ch. 30, title III § 355, 52 Stat. 62.)

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 1356. **Penalties.**—Any producer who markets rice in excess of his marketing quota shall be subject to a penalty of one-quarter of 1 cent per pound of the excess so marketed. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 356, 52 Stat. 62.)

§ 1357. **Legislative findings.**—The production, marketing, and processing of peanuts and peanut products employs a large number of persons and is of national interest. The movement of peanuts from producer to consumer is preponderantly in interstate and foreign commerce, and, owing to causes beyond their control, the farmers producing such commodity and the persons engaged in the marketing and processing thereof are unable to regulate effectively the orderly marketing of the commodity. As the quantity of peanuts marketed in the channels of interstate and foreign commerce increases above the quantity of peanuts needed for cleaning and shelling, the prices at which all peanuts are marketed are depressed to low levels. These low prices tend to cause the quantity of peanuts available for marketing in later years to be less than normal, which in turn tends to cause relatively high prices. This fluctuation of prices and marketings of peanuts creates an unstable and chaotic condition in the marketing of peanuts for cleaning and shelling and for crushing for oil in the channels of interstate and foreign commerce. Since these unstable and chaotic conditions have existed for a period of years and are likely, without proper regulation, to continue to exist, it is imperative that the marketing of peanuts for cleaning and shelling and for crushing for oil in interstate and foreign commerce be

regulated in order to protect producers, handlers, processors, and consumers. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 357, as added Apr. 3, 1941, ch. 39, § 1, 55 Stat. 88.)

§ 1358. **Marketing quotas.**—(a) Between July 1 and December 1 of each calendar year the Secretary shall proclaim the amount of the national marketing quota for peanuts for the crop produced in the next succeeding calendar year in terms of the total quantity of peanuts which will make available for marketing a supply of peanuts from the crop with respect to which the quota is proclaimed equal to the average quantity of peanuts harvested for nuts during the five years immediately preceding the year in which such quota is proclaimed, adjusted for current trends and prospective demand conditions, and the quota so proclaimed shall be in effect with respect to such crop. The national marketing quota for peanuts for any year shall be converted to a national acreage allotment by dividing such quota by the normal yield per acre of peanuts for the United States determined by the Secretary on the basis of the average yield per acre of peanuts in the five years preceding the year in which the quota is proclaimed, with such adjustments as may be found necessary to correct for trends in yields and for abnormal conditions of production affecting yields in such five years: *Provided*, That the national marketing quota established for the crop produced in the calendar year 1941 shall be a quantity of peanuts sufficient to provide a national acreage allotment of not less than one million six hundred and ten thousand acres, and that the national marketing quota established for any subsequent year shall be quantity of peanuts sufficient to provide a national acreage allotment of not less than 95 per centum of that established for the crop produced in the calendar year 1941.

(b) Not later than December 15 of each calendar year the Secretary shall conduct a referendum of farmers engaged in the production of peanuts in the calendar year in which the referendum is held to determine whether such farmers are in favor of or opposed to marketing quotas with respect to the crops of peanuts produced in the three calendar years immediately following the year in which the referendum is held, except that, if as many as two-thirds of the farmers voting in any referendum vote in favor of marketing quotas, no referendum shall be held with respect to quotas for the second and third years of the period. The Secretary shall proclaim the results of the referendum within thirty days after the date on which it is held, and, if more than one-third of the farmers voting in the referendum vote against marketing quotas, the Secretary also shall proclaim that marketing quotas will not be in effect with respect to the crop of peanuts produced in the calendar year immediately following the calendar year in which the referendum is held. Notwithstanding any other provisions of this section, the Secretary shall proclaim a national marketing quota with respect to the crop of peanuts produced in the calendar year 1941 equal to the minimum quota provided for said year in subsection (a) hereof and shall provide for the holding of a referendum on such quota within thirty days after April 3, 1941, and the State and farm acreage allotments estab-

lished under the 1941 agricultural conservation program shall be the State and farm acreage allotments for the 1941 crop of peanuts.

(c) The national acreage allotment shall be apportioned among States on the basis of the average acreage of peanuts harvested for nuts in the five years preceding the year in which the national allotment is determined, with adjustments for trends, abnormal conditions of production, and the State peanut-acreage allotment for the crop immediately preceding the crop for which the allotment hereunder is established: *Provided*, That the allotment established for any State for any year subsequent to 1941 shall be not less than 95 per centum of the allotment established for such State for the crop produced in the calendar year 1941: *Provided further*, That for the second or third year of any three-year period in which marketing quotas are in effect the acreage allotment for each State for such year shall be increased above or decreased below the allotment for the State for the immediately preceding year by the same percentage as the national marketing quota for such year is increased above or decreased below the national marketing quota for the preceding year.

(d) The Secretary shall provide for apportionment of the State acreage allotment for any State through local committees among farms on which peanuts were grown in any of the three years immediately preceding the year for which such allotment is determined. Such apportionment shall be made on the basis of the tillable acreage available for the production of peanuts and the past acreage of peanuts on the farm, taking into consideration the peanut-acreage allotments established for the farm under previous agricultural adjustment and conservation programs. Any acreage of peanuts harvested in excess of the allotted acreage for any farm for any year shall not be considered in the establishment of the allotment for the farm until the third year following the year in which such excess acreage is harvested and the total increases made in farm-acreage allotments in any year based on such excess acreage shall not exceed 2 per centum of the national acreage allotment for such year: *Provided*, That in the distribution of such increases based on such excess acreage the total allotments established for new farms shall not be less than 50 per centum of such increases. The amount of the marketing quota for each farm shall be a number of pounds of peanuts equal to the normal production or the actual production, whichever is the greater, of the farm peanut acreage allotment and no peanuts shall be marketed under the quota for any farm other than peanuts actually produced on the farm. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 358, as added (Apr. 3, 1941, ch. 39, § 1, 55 Stat. 88, and amended July 9, 1942, ch. 497, § 1 (1), 56 Stat. 653.)

AMENDMENTS

1942—Subsec. (d) was amended by act July 9, 1942, cited to text, which substituted last sentence for former last sentence.

CROSS REFERENCE

Supplemental provisions relating to marketing quotas, see section 1330 (10), of this title.

§ 1359. **Marketing penalties.**—(a) The marketing of any peanuts in excess of the marketing quota for the farm on which such peanuts are produced, or the marketing of peanuts from any farm for which no acreage allotment was determined, shall be subject to a penalty of 3 cents per pound, except as provided in subsection (b) of this section. Such penalty shall be paid by the person who buys or otherwise acquires the peanuts from the producer, or, if the peanuts are marketed by the producer through an agent, the penalty shall be paid by such agent, and such person or agent may deduct an amount equivalent to the penalty from the price paid to the producer. The Secretary may require collection of the penalty upon a portion of each lot of peanuts marketed from the farm equal to the proportion which the acreage of peanuts in excess of the farm-acreage allotments is of the total acreage of peanuts on the farm. If the person required to collect the penalty fails to collect such penalty, such person and all persons entitled to share in the peanuts marketed from the farm or the proceeds thereof shall be jointly and severally liable for the amount of the penalty. All funds collected pursuant to this section shall be deposited in a special deposit account with the Treasurer of the United States and such amounts as are determined, in accordance with regulations prescribed by the Secretary, to be penalties incurred shall be transferred to the general fund of the Treasury of the United States. Amounts collected in excess of determined penalties shall be paid to such producers as the Secretary determines, in accordance with regulations prescribed by him, bore the burden of the payment of the amount collected. Such special account shall be administered by the Secretary and the basis for, the amount of, and the producer entitled to receive a payment from such account, when determined in accordance with regulations prescribed by the Secretary, shall be final and conclusive. If, in the course of marketing, and peanuts produced on one farm are falsely identified by a representation that such peanuts were produced on another farm, or, if there is a failure to make a report of the disposition of peanuts available for marketing from any farm, each person participating in the false identification of the peanuts or failing to make a report of the disposition of such peanuts as required by regulations issued by the Secretary shall be subject to a penalty of \$25 for each acre, or fraction thereof, of peanuts harvested in excess of the farm-acreage allotment for the farm on which such peanuts were produced and such penalty shall be in addition to any other penalty due hereunder.

(b) Beginning with the 1941 crop of peanuts, payment of the penalty of 3 cents per pound upon the marketing of peanuts as provided in subsection (a) above will not be required if such excess peanuts are delivered to or marketed through an agency or agencies designated each year by the Secretary or if the producer pays to the United States, with respect to excess peanuts which, when marketed, were identified in the manner prescribed in the regulations of the Secretary as quota peanuts, an amount determined under regulations of the Secretary to represent the amount received for the peanuts in excess of the amount which would have been received had such peanuts been delivered to a

designated agency as excess peanuts. Any peanuts received under this subsection by such agency shall be sold by such agency (i) for crushing for oil under a sales agreement approved by the Secretary; (ii) for cleaning and shelling at prices not less than those established for quota peanuts under any peanut diversion, peanut loan, or peanut purchase program; or (iii) for seed at prices established by the Secretary. For all peanuts so delivered to a designated agency under this subsection, producers shall be paid for the portion of the lot constituting excess peanuts, the market value thereof for crushing for oil as of the date of such delivery less the estimated cost of storing, handling, and selling such peanuts but not less than prices established by the Secretary pursuant to authority contained in existing law. Any person who, pursuant to the provisions of this subsection, acquires peanuts for crushing for oil and who uses or disposes of such peanuts for any purpose other than that for which acquired shall pay a penalty of 3 cents per pound upon the peanuts so used or disposed of and shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$1,000 or imprisoned for not more than one year, or both, for each and every offense. Operations under this subsection shall be carried on under regulations prescribed by the Secretary, and the operations of any agency designated to receive and market peanuts may be separate from or combined with operations of other agencies.

(c) The provisions of this part shall not apply to peanuts produced on any farm on which the acreage harvested for nuts is one acre or less.

(d) The word "peanuts" for the purposes of this chapter shall mean all peanuts produced, excluding any peanuts which it is established by the producer or otherwise, in accordance with regulations of the Secretary, were not picked or threshed either before or after marketing from the farm.

(e) If, in any referendum carried out pursuant to subsection (b) of section 1358, marketing quotas with respect to peanuts are opposed by more than one-third of the farmers voting in such referendum, no peanut-diversion program or peanut loan shall be in effect with respect to the crop produced in the calendar year immediately following that in which the referendum is held. If quotas are approved by not less than two-thirds of the farmers voting in such referendum, either a peanut-diversion program or a peanut-loan program, or both, shall be in effect with respect to the crops of peanuts produced in the three calendar years immediately following the year in which the referendum is held. The Commodity Credit Corporation is directed to make available loans upon peanuts during any marketing year in which marketing quotas are in effect. Such loans shall be made only to producers, farmer cooperatives, and farmer associations, only on the marketing quota for each farm, at rates not less than 50 per centum and not more than 75 per centum of the parity price of peanuts as of the beginning of the marketing year (which parity price shall be on the basis of the formula used in determining the parity price of peanuts as published by the Bureau of Agricultural Economics in *The Agricultural Situation*, volume 25, number 1, January

1941), and the peanuts shall be the sole security for such loans. If a referendum is held in 1941 with respect to the crop produced in 1941, the provisions of this subsection shall apply as though such referendum had been held in the calendar year 1940.

(f) There is hereby authorized to be appropriated, each fiscal year beginning with the fiscal year 1941, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary for the purposes set forth in this part and for the expenses of administering this part.

(g) The provisions of this section shall not apply to nor interfere with the inauguration or the operation of any program approved by the Secretary pursuant to authority contained in existing law designed to establish new uses for peanuts and peanut products or expand markets for peanuts and peanut products. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 359, as added Apr. 3, 1941, ch. 39, § 1, 55 Stat. 90, and amended July 9, 1942, ch. 497, § 1 (2), (3), 56 Stat. 653.)

AMENDMENTS

1942—Subsecs. (b) and (d) were amended by act July 9, 1942, § 1 (2), (3), respectively, cited to text.

C. ADMINISTRATIVE PROVISIONS

PART I.—PUBLICATION AND REVIEW OF QUOTAS

§ 1361. **Application of Part.**—This Part shall apply to the publication and review of farm marketing quotas established for tobacco, corn, wheat, cotton, peanuts, and rice, established under sections 1311-1359 of this title. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 361, 52 Stat. 62, Apr. 3, 1941, ch. 39, § 4, 55 Stat. 92.)

§ 1362. **Publication and notice of quota.**—All acreage allotments, and the farm marketing quotas established for farms in a county or other local administrative area shall, in accordance with regulations of the Secretary, be made and kept freely available for public inspection in such county or other local administrative area. An additional copy of this information shall be kept available in the office of the county agricultural extension agent or with the chairman of the local committee. Notice of the farm marketing quota of his farm shall be mailed to the farmer. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 362, 52 Stat. 62.)

§ 1363. **Review of quota; review committee.**—Any farmer who is dissatisfied with his farm marketing quota may, within fifteen days after mailing to him of notice as provided in section 1362 of this title, have such quota reviewed by a local review committee composed of three farmers appointed by the Secretary. Such committee shall not include any member of the local committee which determined the farm acreage allotment, the normal yield, or the farm marketing quota for such farm. Unless application for review is made within such period, the original determination of the farm marketing quota shall be final. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 363, 52 Stat. 63.)

§ 1364. **Compensation of review committee.**—The members of the review committee shall receive as compensation for their

services the same per diem as that received by the members of the committee utilized for the purposes of sections 590a-590q of Title 16. The members of the review committee shall not be entitled to receive compensation for more than thirty days in any one year. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 364, 52 Stat. 63.)

§ 1365. Institution of proceeding for court review of committee findings.—If the farmer is dissatisfied with the determination of the review committee, he may, within fifteen days after a notice of such determination is mailed to him by registered mail, file a bill in equity against the review committee as defendant in the United States district court, or institute proceedings for review in any court of record of the State having general jurisdiction, sitting in the county or the district in which his farm is located, for the purpose of obtaining a review of such determination. Bond shall be given in an amount and with surety satisfactory to the court to secure the United States for the costs of the proceeding. The bill of complaint in such proceeding may be served by delivering a copy thereof to any one of the members of the review committee. Thereupon the review committee shall certify and file in the court a transcript of the record upon which the determination complained of was made, together with its findings of fact. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 365, 52 Stat. 63.)

§ 1366. Court review.—The review by the court shall be limited to questions of law, and the findings of fact by the review committee, if supported by evidence, shall be conclusive. If application is made to the court for leave to adduce additional evidence, and it is shown to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the hearing before the review committee, the court may direct such additional evidence to be taken before the review committee in such manner and upon such terms and conditions as to the court may seem proper. The review committee may modify its findings of fact or its determination by reason of the additional evidence so taken, and it shall file with the court such modified findings or determination, which findings of fact shall be conclusive. At the earliest convenient time, the court, in term time or vacation, shall hear and determine the case upon the original record of the hearing before the review committee, and upon such record as supplemented if supplemented, by further hearing before the review committee pursuant to direction of the court. The court shall affirm the review committee's determination, or modified determination, if the court determines that the same is in accordance with law. If the court determines that such determination or modified determination is not in accordance with law, the court shall remand the proceeding to the review committee with direction either to make such determination as the court shall determine to be in accordance with law or to take such further proceedings as, in the court's opinion, the law requires. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 366, 52 Stat. 63.)

§ 1367. Stay of proceedings and exclusive jurisdiction.—The commencement of judicial proceedings under sections 1361-1368

of this title shall not, unless specifically ordered by the court, operate as a stay of the review committee's determination. Notwithstanding any other provision of law, the jurisdiction conferred by sections 1361-1368 of this title to review the legal validity of a determination made by a review committee pursuant to sections 1361-1368 of this title shall be exclusive. No court of the United States or of any State shall have jurisdiction to pass upon the legal validity of any such determination except in a proceeding under sections 1361-1368 of this title. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 367, 52 Stat. 64.)

§ 1368. **Effect of increase on other quotas.**—Notwithstanding any increase of any farm marketing quota for any farm as a result of review of the determination thereof under sections 1361-1368 of this title, the marketing quotas for other farms shall not be affected. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 368, 52 Stat. 64.)

PART II.—ADJUSTMENT OF QUOTAS AND ENFORCEMENT

§ 1371. **General adjustment of quotas—(a) Investigation and adjustment to maintain normal supply.**—If at any time the Secretary has reason to believe that in the case of corn, wheat, cotton, rice, peanuts, or tobacco the operation of farm marketing quotas in effect will cause the amount of such commodity which is free of marketing restrictions to be less than the normal supply for the marketing year for the commodity then current, he shall cause an immediate investigation to be made with respect thereto. In the course of such investigation due notice and opportunity for hearing shall be given to interested persons. If upon the basis of such investigation the Secretary finds the existence of such fact, he shall proclaim the same forthwith. He shall also in such proclamation specify such increase in, or termination of, existing quotas as he finds, on the basis of such investigation, is necessary to make the amount of such commodity which is free of marketing restrictions equal the normal supply.

(b) **Adjustment because of emergency or export demand.**—If the Secretary has reason to believe that, because of a national emergency or because of a material increase in export demand, any national marketing quota for corn, wheat, cotton, rice, peanuts, or tobacco should be increased or terminated, he shall cause an immediate investigation to be made to determine whether the increase or termination is necessary in order to effectuate the declared policy of this chapter or to meet such emergency or increase in export demand. If, on the basis of such investigation, the Secretary finds that such increase or termination is necessary, he shall immediately proclaim such finding (and if he finds an increase is necessary, the amount of the increase found by him to be necessary) and thereupon such quota shall be increased, or shall terminate, as the case may be.

(c) **Increase of farm quota on increase of national quota.**—In case any national marketing quota for any commodity is increased under this section, each farm marketing quota for the commodity shall be increased in the same ratio.

(d) **Adjustment of corn storage regulations on change in marketing quotas.**—In the case of corn, whenever such proclamation specifies an increase in marketing quotas, the storage amounts applicable to corn shall be adjusted downward to the amount which would have been required to be stored if such increased marketing quotas had been in effect. Whenever in the case of corn, such proclamation provides for termination of marketing quotas, storage under seal shall no longer be required. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 371, 52 Stat. 64; Apr. 3, 1941, ch. 39, § 5, 55 Stat. 92.)

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 1372. **Payment, collection, and refund of penalties.**—(a) The penalty with respect to the marketing, by sale, of wheat, cotton, or rice, if the sale is to any person within the United States, shall be collected by the buyer.

(b) All penalties provided for in sections 1311-1356 of this title shall be collected and paid in such manner, at such times, and under such conditions as the Secretary may by regulations prescribe. Such penalties shall be remitted to the Secretary by the person liable for the penalty, except that if any other person is liable for the collection of the penalty, such other person shall remit the penalty. The amount of such penalties shall be covered into the general fund of the Treasury of the United States.

(c) Whenever, pursuant to a claim filed with the Secretary within two years after payment to him of any penalty collected from any person pursuant to this chapter, the Secretary finds that such penalty was erroneously, illegally, or wrongfully collected and the claimant bore the burden of the payment of such penalty, the Secretary shall certify to the Secretary of the Treasury for payment to the claimant, in accordance with regulations prescribed by the Secretary of the Treasury, such amount as the Secretary finds the claimant is entitled to receive as a refund of such penalty.

Notwithstanding any other provision of law, the Secretary is authorized to prescribe by regulations for the identification of farms and it shall be sufficient to schedule receipts into special deposit accounts or to schedule such receipts for transfer therefrom, or directly, into the separate fund provided for in subsection (b) hereof by means of such identification without reference to the names of the producers on such farms.

The Secretary is authorized to prescribe regulations governing the filing of such claims and the determination of such refunds.

(d) No penalty shall be collected under this chapter with respect to the marketing of any agricultural commodity grown for experimental purposes only by any publicly owned agricultural experiment station. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 372, 52 Stat. 65; April 7, 1938, ch. 107, § 11, 52 Stat. 204; July 2, 1940, ch. 521, § 6, 54 Stat. 728.)

§ 1373. **Reports and records**—(a) **Persons reporting.**—This subsection shall apply to warehousemen, processors, and common

carriers of corn, wheat, cotton, rice, peanuts, or tobacco, and all ginnerers of cotton, all persons engaged in the business of purchasing corn, wheat, cotton, rice, peanuts, or tobacco from producers, all persons engaged in the business of redrying, prizing, or stemming tobacco for producers, all brokers and dealers in peanuts, all agents marketing peanuts for producers, or acquiring peanuts for buyers and dealers, and all peanut growers' cooperative associations, all persons engaged in the business of cleaning, shelling, crushing, and salting of peanuts and the manufacture of peanut products, and all persons owning or operating peanut-picking or peanut-threshing machines. Any such person shall, from time to time on request of the Secretary, report to the Secretary such information and keep such records as the Secretary finds to be necessary to enable him to carry out the provisions of this subchapter. Such information shall be reported and such records shall be kept in accordance with forms which the Secretary shall prescribe. For the purpose of ascertaining the correctness of any report made or record kept, or of obtaining information required to be furnished in any report, but not so furnished, the Secretary is hereby authorized to examine such books, papers, records, accounts, correspondence, contracts, documents, and memoranda as he has reason to believe are relevant and are within the control of such person. Any such person failing to make any report or keep any record as required by this subsection or making any false report or record shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than \$500; and any tobacco warehouseman or dealer who fails to remedy such violation by making a complete and accurate report or keeping a complete and accurate record as required by this subsection within fifteen days after notice to him of such violation shall be subject to an additional fine of \$100 for each ten thousand pounds of tobacco, or fraction thereof, bought or sold by him after the date of such violation: *Provided*, That such fine shall not exceed \$5,000; and notice of such violation shall be served upon the tobacco warehouseman or dealer by mailing the same to him by registered mail or by posting the same at any established place of business operated by him, or both.

(b) **Proof of acreage yield.**—Farmers engaged in the production of corn, wheat, cotton, rice, peanuts, or tobacco for market shall furnish such proof of their acreage yield, storage, and marketing of the commodity in the form of records, marketing cards, reports, storage under seal, or otherwise as the Secretary may prescribe as necessary for the administration of this title.

(c) **Data as confidential.**—All data reported to or acquired by the Secretary pursuant to this section shall be kept confidential by all officers and employees of the Department, and only such data so reported or acquired as the Secretary deems relevant shall be disclosed by them, and then only in a suit or administrative hearing under sections 1301-1393 of this title. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 373, 52 Stat. 65; June 13, 1940, ch. 360, § 6, 54 Stat. 394; Apr. 3, 1941, ch. 39, § 5, 55 Stat. 92.)

§ 1374. **Measurement of farms and report of plantings.**—The Secretary shall provide, through the county and local commit-

tees, for measuring farms on which corn, wheat, cotton, peanuts, or rice is produced and for ascertaining whether the acreage planted for any year to any such commodity is in excess of the farm acreage allotment for such commodity for the farm under this subchapter. If in the case of any farm the acreage planted to any such commodity on the farm is in excess of the farm acreage allotment for such commodity for the farm, the committee shall file with the State committee a written report stating the total acreage on the farm in cultivation and the acreage planted to such commodity. (Feb. 16, 1938, ch. 30, title III, § 374, 52 Stat. 65; Apr. 3, 1941, ch. 39, § 8, 55 Stat. 92c.)

AMENDMENTS

1941—Act April 3, 1941, cited to text, inserted “peanuts,” after “cotton,”.

§ 1375. Regulations.—(a) The Secretary shall provide by regulations for the identification wherever necessary, of corn, wheat, cotton, rice, peanuts, or tobacco so as to afford aid in discovering and identifying such amounts of the commodities as are subject to and such amounts thereof as are not subject to marketing restrictions in effect under this subchapter.

(b) The Secretary shall prescribe such regulations as are necessary for the enforcement of sections 1301-1393 of this title. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 375, 52 Stat. 66; Apr. 3, 1941, ch. 39, § 9, 55 Stat. 92.) •

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 1376. Court jurisdiction; duties of district attorneys; remedies and penalties as additional—The several district courts of the United States are hereby vested with jurisdiction specifically to enforce the provisions of sections 1301-1393 of this title. If and when the Secretary shall so request, it shall be the duty of the several district attorneys in their respective districts, under the direction of the Attorney General, to institute proceedings to collect the penalties provided in sections 1301-1393 of this title. The remedies and penalties provided for herein shall be in addition to, and not exclusive of, any of the remedies or penalties under existing law. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 376, 52 Stat. 66.)

D. MISCELLANEOUS PROVISIONS AND APPROPRIATIONS

PART I.—MISCELLANEOUS

§ 1381. Cotton price adjustment payments—(a) **Determination of acreage allotment; applications for payments.**—For the purposes of the provisions (relating to cotton price adjustment payments with respect to the 1937 cotton crop) of the Third Deficiency Appropriation Act, fiscal year 1937, Act Aug. 25, 1937, ch. 757, 50 Stat. 762, a producer shall be deemed to have complied with the provisions of the 1938 agricultural adjustment program formulated under the legislation contemplated by Senate Joint Resolution Numbered 207, Seventy-fifth Congress, Act

Aug. 24, 1937, ch. 756, 50 Stat. 754, if his acreage planted to cotton in 1938 does not exceed his farm acreage allotment for 1938 under sections 590a-590q of Title 16, or under section 1344 of this title, whichever is the lesser. For the purposes of this subsection a producer shall not be deemed to have exceeded his farm acreage allotment unless such producer knowingly exceeded his farm acreage allotment. Such compliance shall not be required in any case where the producer is not engaged in cotton production in 1938. In cases where in 1937 a total or partial crop failure resulted from hail, drought, flood, or boll-weevil infestation, or where any part of a producer's 1937 cotton crop was destroyed after the harvesting thereof by fire or other unavoidable natural cause, if the producer is otherwise eligible for payment, payment shall be made at the same rate per pound on the same percentage of the producer's normal base production established by the Secretary as in the case of other producers. For the purpose of such provisions of the Third Deficiency Appropriation Act, fiscal year 1937, Act Aug. 25, 1937, ch. 757, 50 Stat. 762, cotton not sold prior to July 1, 1938, shall be held and considered to have been sold on June 30, 1938, and all applications for price adjustment payments shall be filed with the Secretary not later than July 15, 1938. Such payments shall be made at the earliest practicable time. Application for payment may be made by the 1937 operator of a farm on behalf of all persons engaged in cotton production on the farm in 1937 and need be signed only by such operator, but payment shall be made directly to each of the persons entitled thereto. In case any person who is entitled to payment hereunder dies, becomes incompetent, or disappears before receiving such payment or is succeeded by another who renders or completes the required performance, payment shall, without regard to any other provisions of law, be made as the Secretary may determine to be fair and reasonable in all the circumstances and provide by regulations.

(b) Transfer of pledged cotton to Commodity Credit Corporation.

—Any producer for whom a loan has been made or arranged for by the Commodity Credit Corporation on cotton of his 1937 crop and who has complied with all the provisions of the loan agreement except section 8 thereof, may, at any time before July 1, 1938, transfer his right, title, and interest in and to such cotton to the Corporation; and the Corporation is authorized and directed to accept such right, title, and interest in and to such cotton and to assume all obligations of the producer with respect to the loan on such cotton, including accrued interest and accrued carrying charges to the date of such transfer. The Corporation shall notify the Secretary of Agriculture of each such transfer, and upon receipt of such notice, the Secretary shall as soon as compliance is shown, or a national marketing quota for cotton is put into effect, forthwith pay to such producer a sum equal to 2 cents per pound of such cotton, and the amount so paid shall be deducted from any price adjustment payment to which such producer is entitled.

(c) Sale of pledged cotton by Commodity Credit Corporation.—

The Commodity Credit Corporation is authorized on behalf of

the United States to sell any cotton of the 1937 crop so acquired by it, but no such cotton or any other cotton held on behalf of the United States shall be sold unless the proceeds of such sale are at least sufficient to reimburse the United States for all amounts (including any price-adjustment payment) paid out by any of its agencies with respect to the cotton so sold. After July 31, 1939, the Commodity Credit Corporation shall not sell more than three hundred thousand bales of cotton in any calendar month, or more than one million five hundred thousand bales in any calendar year. The proceeds derived from the sale of any such cotton shall be used for the purpose of discharging the obligations assumed by the Commodity Credit Corporation with respect to such cotton, and any amounts not expended for such purpose shall be covered into the Treasury as miscellaneous receipts. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 381, 52 Stat. 66; Apr. 7, 1938, ch. 107, § 12, 52 Stat. 204.)

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 1381a. Same; acceleration of payments for 1937 crop.

This section, act June 16, 1938, ch. 464, title I, 52 Stat. 745, which was not a part of the Agricultural Adjustment Act of 1938, related only to payments for 1937 crops.

§ 1382. Extension of 1937 cotton loan.—The Commodity Credit Corporation is hereby authorized and directed to provide for the extension, from July 31, 1938, to July 31, 1939, of the maturity date of all notes evidencing a loan made or arranged for by the Corporation on cotton produced during the crop year 1937-1938. This section shall not be construed to prevent the sale of any such cotton on request of the person liable on the note. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 382, 52 Stat. 67.)

§ 1383. Insurance of cotton; reconcentration.—(a) The Commodity Credit Corporation shall place all insurance of every nature taken out by it on cotton, and all renewals, extensions, or continuations of existing insurance, with insurance agents who are bona fide residents of and doing business in the State where the cotton is warehoused: *Provided*, That such insurance may be secured at a cost not greater than similar insurance offered on said cotton elsewhere.

(b) Cotton held as security for any loan heretofore or hereafter made or arranged for by the Commodity Credit Corporation shall not hereafter be reconcentrated without the written consent of the producer or borrower. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 383, 52 Stat. 67.)

§ 1383a. Written consent for reconcentration of cotton.—In the administration of section 1383 (b) of this title the written consent of the producer or borrower to the reconcentration of any cotton held as security for any loan heretofore or hereafter made or arranged for by the Commodity Credit Corporation shall not be deemed to have been given unless such consent shall have been given in an instrument made solely for that purpose. Notwith-

standing any provision of any loan agreement heretofore made, no cotton held under any such agreement as security for any such loan shall be moved from one warehouse to another unless the written consent of the producer or borrower shall have been obtained in a separate instrument given solely for that purpose, as required by this section. The giving of written consent for the reconcentration of cotton shall not be made a condition upon the making of any loan hereafter made or arranged for by the Commodity Credit Corporation: *Provided, however,* That in cases where there is congestion and lack of storage facilities, and the local warehouse certifies such fact and requests the Commodity Credit Corporation to move the cotton for reconcentration to some other point, or when the Commodity Credit Corporation determines such loan cotton is improperly warehoused and subject to damage, or if uninsured, or if any of the terms of the loan agreement are violated, or if carrying charges are substantially in excess of the average of carrying charges available elsewhere, and the local warehouse, after notice, declines to reduce such charges, such written consent as provided in this section need not be obtained; and consent to movement under any of the conditions of this proviso may be required in future loan agreements. (June 16, 1938, ch. 480, 52 Stat. 762.)

This section is not a part of the Agricultural Adjustment Act of 1938.

§ 1384. Reports of benefits.—The Secretary shall submit to Congress an annual report of the names of persons to whom, during the preceding year, payments were made under sections 590a-590q of Title 16, together with payments under section 1303 of this title, if any, if the total amount paid to such person exceeded \$1,000. (Feb. 16, 1938; 3 p. m., ch. 30, title III, § 384, 52 Stat. 68.)

§ 1385. Finality of payments and loans; substitution of beneficiaries.—The facts constituting the basis for any payment under sections 590a-590q of Title 16, parity payment, or loan, or the amount thereof, when officially determined in conformity with the applicable regulations prescribed by the Secretary or by the Commodity Credit Corporation, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government. In case any person who is entitled to any such payment dies, becomes incompetent, or disappears before receiving such payment, or is succeeded by another who renders or completes the required performance, the payment shall, without regard to any other provisions of law, be made as the Secretary of Agriculture may determine to be fair and reasonable in all the circumstances and provide by regulations. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 385, 52 Stat. 68; July 2, 1940, ch. 521, § 7, 54 Stat. 728.)

§ 1386. Exemption from laws prohibiting interest of members of Congress in contracts.—The provisions of section 22 of Title 41 and sections 204 and 205 of Title 18 shall not be applicable to loans or payments made under this chapter (except under section 1383 (a) of this title). (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 386, 52 Stat. 68.)

§ 1387. Photographic reproductions and maps.—The Secretary may furnish reproductions of such aerial or other photographs, mosaics, and maps as have been obtained in connection with the authorized work of the Department to farmers and governmental agencies at the estimated cost of furnishing such reproductions, and to persons other than farmers at such prices (not less than estimated cost of furnishing such reproductions) as the Secretary may determine, the money received from such sales to be deposited in the Treasury to the credit of the appropriation charged with the cost of making such reproductions. This section shall not affect the power of the Secretary to make other disposition of such or similar materials under any other provisions of existing law. (Feb. 16, 1938, 3 p. m., ch. 30, title II, § 387, 52 Stat. 68.)

§ 1388. Utilization of local agencies.—(a) The provisions of section 590h (b) and section 590k of Title 16, as amended, relating to the utilization of State, county, local committees, the extension service, and other approved agencies, and to recognition and encouragement of cooperative associations, shall apply in the administration of this chapter; and the Secretary shall, for such purposes, utilize the same local, county, and State committees as are utilized under sections 590g-590q of Title 16, as amended. The local administrative areas designated under section 590h (b) of Title 16, as amended, for the administration of programs under sections 590a-590q of Title 16, and the local administrative areas designated for the administration of this chapter shall be the same.

(b) The Secretary is authorized and directed, from any funds made available for the purposes of the Acts in connection with which county committees are utilized, to make payments to county committees of farmers to cover the estimated administrative expenses incurred or to be incurred by them in cooperating in carrying out the provisions of such Acts. All or part of such estimated administrative expenses of any such committee may be deducted pro rata from the payments under sections 590a-590q of Title 16, parity payments, or loans, or other payments under such Acts, made unless payment of such expenses is otherwise provided by law. The Secretary may make such payments to such committees in advance of determination of performance by farmers. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 388, 52 Stat. 68.)

§ 1389. Personnel.—The Secretary is authorized and directed to provide for the execution by the Agricultural Adjustment Administration of such of the powers conferred upon him by this chapter as he deemes may be appropriately exercised by such Administration; and for such purposes the provisions of law applicable to appointment and compensation of persons employed by the Agricultural Adjustment Administration shall apply. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 389, 52 Stat. 69.)

•TRANSFER OF FUNCTIONS

Agricultural Adjustment Administration consolidated with other agencies into Agricultural Conservation and Adjustment Administration for duration of war, see Ex. Ord. No. 9069, set out in note under section 601 of Appendix to Title 50, War.

§ 1390. **Separability clause.**—If any provision of this chapter, or the application thereof to any person or circumstance, is held invalid, the validity of the remainder of the chapter and the application of such provision to other persons or circumstances, and the provisions of sections 590a-590q of Title 16, shall not be affected thereby. Without limiting the generality of the foregoing, if any provision of this chapter should be held not to be within the power of the Congress to regulate interstate and foreign commerce, such provision shall not be held invalid if it is within the power of the Congress to provide for the general welfare or any other power of the Congress. If any provision of this chapter for marketing quotas with respect to any commodity should be held invalid, no provision of this chapter for marketing quotas with respect to any other commodity shall be affected thereby. If the application of any provision for a referendum should be held invalid, the application of other provisions shall not be affected thereby. If by reason of any provision for a referendum the application of any such other provision to any person or circumstance is held invalid, the application of such other provision to other persons or circumstances shall not be affected thereby. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 390, 52 Stat. 69.)

PART II.—APPROPRIATIONS AND ADMINISTRATIVE EXPENSES

§ 1391. **Appropriations; loans from Commodity Credit Corporation.**—(a) Beginning with the fiscal year ending June 30, 1938, there is hereby authorized to be appropriated for each fiscal year for the administration of this chapter and for the making of soil conservation and other payments such sums as Congress may determine, in addition to any amount made available pursuant to section 590o of Title 16, as amended.

(b) For the administration of this chapter (and the provisions of sections 1501-1518 of this title) during the fiscal year ending June 30, 1938, there is hereby authorized to be made available from the funds appropriated for such fiscal year for carrying out the purposes of sections 590g-590q of Title 16, as amended, a sum not to exceed \$5,000,000.

(c) During each fiscal year, beginning with the fiscal year ending June 30, 1941, the Commodity Credit Corporation is authorized and directed to loan to the Secretary such sums, not to exceed \$50,000,000, as he estimates will be required during such fiscal year, to make crop insurance premium advances and to make advances pursuant to the applicable provisions of sections 590h and 590l of Title 16, in connection with programs applicable to crops harvested in the calendar year in which such fiscal year ends, and to pay the administrative expenses of county agricultural conservation associations for the calendar year in which such fiscal year ends. The sums so loaned during any fiscal year shall be transferred to the current appropriation available for carrying out sections 590g, 590h, 590i, 590j-590q of Title 16 and shall be repaid, with interest at a rate to be determined by the Secretary but not less than the cost of money to the Commodity Credit Corporation for a comparable period, during the succeeding fiscal year from the appropriation available for that year or

from any unobligated balance of the appropriation for any other year. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 391, 52 Stat. 69; July 2, 1940, ch. 521, § 8, 54 Stat. 728.)

§ 1392. **Administrative expenses; posting names and compensation of local employees.**—(a) The Secretary is authorized and directed to make such expenditures as he deems necessary to carry out the provisions of this chapter and sections 590g, 590h, 590i, 590j-590q of Title 16, including personal services and rents in the District of Columbia and elsewhere; traveling expenses; supplies and equipment; lawbooks, books of reference, directors, periodicals, and newspapers; and the preparation and display of exhibits, including such displays at community, county, State, interstate, and international fairs within the United States. The Secretary of the Treasury is authorized and directed upon the request of the Secretary to establish one or more separate appropriation accounts into which there shall be transferred from the respective funds available for the purposes of this chapter and sections 590g, 590h, 590i, 590j-590q of Title 16, in connection with which personnel or other facilities of the Agricultural Adjustment Administration are utilized, proportionate amounts estimated by the Secretary to be required by the Agricultural Adjustment Administration for administrative expenses in carrying out or cooperating in carrying out any of the provisions of this chapter and sections 590g, 590h, 590i, 590j-590q of Title 16.

(b) In the administration of sections 1301-1393 of this title and sections 590g, 590h, 590i, 590j-590q of Title 16, the aggregate amount expended in any fiscal year, beginning with the fiscal year ending June 30, 1942, for administrative expenses in the District of Columbia, including regional offices, and in the several States (not including the expenses of county and local committees) shall not exceed 3 per centum of the total amount available for such fiscal year for carrying out the purposes of sections 1301-1393 of this title and sections 590a-590h, 590i, 590j-590q of Title 16. In the administration of section 612c of this title, and sections 601, 602, 608a-608e, 610, 612, 614, 624, 671-674 of this title, the aggregate amount expended in any fiscal year, beginning with the fiscal year ending June 30, 1942, for administrative expenses in the District of Columbia, including regional offices, and in the several States (not including the expenses of county and local committees) shall not exceed 4 per centum of the total amount available for such fiscal year for carrying out the purposes of said sections. In the event any administrative expenses of any county or local committee are deducted in any fiscal year, beginning with the fiscal year ending June 30, 1939, from Soil Conservation Act payments, parity payments, or loans, each farmer receiving benefits under such provisions shall be apprised of the amount or percentage deducted from such benefit payment or loan on account of such administrative expenses. The names and addresses of the members and employees of any county or local committee, and the amount of such compensation received by each of them, shall be posted annually in a conspicuous place in the area within which they are employed. (Feb. 16, 1938, 3

p. m., ch. 30, title III, § 392, 52 Stat. 69; Jan. 31, 1942, ch. 32, 56 Stat. 41.)

AMENDMENTS

1942—Act Jan. 31, 1942, cited to text, amended section generally.

EFFECTIVE DATE

Amendment of subsecs. (a) and (b) of this section by act Jan. 31, 1942, cited to text, was made "effective for the fiscal year 1942 and subsequent fiscal years" by said act.

REFERENCES IN TEXT

Words "Soil Conservation Act" set out in subsec. (b) mean Soil Conservation and Domestic Allotment Act, set out as sections 590a-590h, 590i, 590j-590q of Title 16, Conservation.

§ 1393. Allotment of appropriations.—All funds for carrying out the provisions of this chapter shall be available for allotment to bureaus and offices of the Department, and for transfer to such other agencies of the Federal Government, and to such State agencies, as the Secretary may request to cooperate or assist in carrying out the provisions of this chapter. (Feb. 16, 1938, 3 p. m., ch. 30, title III, § 393, 52 Stat. 70.)

SUBCHAPTER III.—COTTON POOL PARTICIPATION TRUST CERTIFICATES

§ 1401. Appropriation.—There is hereby authorized to be appropriated, from any moneys in the Treasury of the United States not otherwise appropriated, the sum of \$1,800,000, or so much thereof as may be required by the Secretary to accomplish the purposes hereinafter declared and authorized. The Secretary of the Treasury is hereby authorized and directed to pay to, or upon the order of, the Secretary, such a part or all of the sum hereby authorized to be appropriated at the request of the Secretary. (Feb. 16, 1938, 3 p. m., ch. 30, title IV, § 401, 52 Stat. 70.)

SETTLEMENT OF CERTAIN CLAIMS AND ACCOUNTS

Act June 5, 1942, ch. 349, §§ 2, 3, 56 Stat. 324, authorized Comptroller General to relieve disbursing and certifying officers from liability for payments made under sections 1401-1404, 1405-1407 of this title, upon certificate of Secretary of Agriculture that such payments were made in good faith, and also provided that no action should be taken to recover such excess payments, if the Secretary of Agriculture should further certify that, in view of the good faith of the parties or other circumstances of the case, such attempt to recover them would be inadvisable or inequitable.

§ 1402. Deposit of appropriation to credit of Secretary of Agriculture.—The Secretary is hereby authorized to draw from the Treasury of the United States any part or all of the sum hereby authorized to be appropriated, and to deposit same to his credit with the Treasurer of the United States, under special symbol number, to be available for disbursement for the purposes hereinafter stated. (Feb. 16, 1938, 3 p. m., ch. 30, title IV, § 402, 52 Stat. 70.)

§ 1403. Allotment of funds to manager of cotton pool for purchase of certificates.—The Secretary is hereby authorized to make available, from the sum hereby authorized to be appropriated, to the manager of the cotton pool, such sum or sums as may

be necessary to enable the manager to purchase, take up, and cancel, subject to the restrictions hereinafter reserved, pool participation trust certificates, form C-5-I, where such certificates shall be tendered to the manager, cotton pool, by the person or persons shown by the records of the Department to have been the lawful holder and owner thereof on or before May 1, 1938, the purchase price to be paid for the certificates so purchased to be at the rate of \$1 per five-hundred-pound bale for every bale or fractional part thereof represented by the certificates C-5-I. The Secretary is further authorized to pay directly, or to advance to, the manager of the cotton pool, to enable him to pay costs and expenses incident to the purchase of certificates as aforesaid, and any balance remaining to the credit of the Secretary, or the manager, cotton pool, not required for the purchase of these certificates in accordance with provisions of this chapter, shall, at the expiration of the purchase period, be covered into the Treasury of the United States as miscellaneous receipts. (Feb. 16, 1938, 3 p. m., ch. 30, title IV, § 403, 52 Stat. 70; Apr. 7, 1938, ch. 107, § 13, 52 Stat. 204.)

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 1404. Purchase of outstanding pool participation certificates; time limit; rules and regulations.—The authority of the manager, cotton pool, to purchase and pay for certificates hereunder shall extend to and include the 31st day of July 1938: *Provided*, That after expiration of the said limit, the purchase may be consummated of any certificates tendered to the manager, cotton pool, on or before July 31, 1938, but where for any reason the purchase price shall not have been paid by the manager, cotton pool. The Secretary is authorized to promulgate such rules, regulations, and requirements as in his discretion are proper to effectuate the general purposes of sections 1401-1407 of this title, which purpose is here stated to be specifically to authorize the purchase of outstanding pool participation trust certificates, form C-5-I, for a purchase price to be determined at the rate of \$1 per bale, or twenty one-hundredths cent per pound, for the cotton evidenced by the said certificates, provided such certificates be tendered by holders thereof in accordance with regulations prescribed by the Secretary not later than the 31st day of July 1938, and provided such certificates may not be purchased from persons other than those shown by the records of the Department to have been holders thereof on or before the 1st day of May 1938. (Feb. 16, 1938, 3 p. m., ch. 30, title IV, § 404, 52 Stat. 71; Apr. 7, 1938, ch. 107, § 14, 52 Stat. 204.)

§ 1404a. Same; extension of time limit.—The authority of the manager, cotton pool, to purchase and pay for participation trust certificates, Form C-5-I, shall extend to and include the 30th day of September 1939, but after the expiration of said limit the purchase may be consummated of any such certificates tendered to the manager, cotton pool, on or before September 30, 1939, but where for any reason the purchase price shall not have

been paid by the manager, cotton pool: *Provided*, That the date May 1, 1938, appearing in sections 1401-1407 of this title as amended, shall not be applicable. (June 16, 1938, ch. 464, title I, 52 Stat. 747; Apr. 5, 1939, ch. 44, 53 Stat. 572.)

CODIFICATION

This section is not a part of the Agricultural Adjustment Act of 1938.

§ 1404b. Same; death, incompetence, or disappearance of payee.—In case any person who is entitled to payment on a participation trust certificate, Form C-5-I, dies, becomes incompetent, or disappears before receiving such payment or before application for such payment is executed, the Secretary of Agriculture shall provide by regulations, without regard to any other provisions of law, for such payment to such person as he may determine to be fairly and reasonably entitled thereto. (June 16, 1938, ch. 464, title I, 52 Stat. 747.)

This section is not a part of the Agricultural Adjustment Act of 1938.

§ 1405. Continuance of 1933 cotton producers pool; funds for payment of expenses.—The Secretary is authorized to continue in existence the 1933 cotton producers pool so long as may be required to effectuate the purposes of sections 1401-1407 of this title. All expense incident to the accomplishment of purposes of sections 1401-1407 of this title may be paid from funds hereby authorized to be appropriated, for which purpose the fund hereby authorized to be appropriated shall be deemed as supplemental to such funds as are now to the credit of the Secretary, reserved for the purpose of defraying operating expenses of the pool. (Feb. 16, 1938, 3 p. m., ch. 30, title IV, § 405, 52 Stat. 71.)

§ 1406. Prohibition of purchase of certificates after expiration of time limit.—After expiration of the time limit herein established, the certificates then remaining outstanding and not theretofore tendered to the manager, cotton pool, for purchase, shall not be purchased and no obligation on account thereof shall exist. (Feb. 16, 1938, 3 p. m., ch. 30, title IV, § 406, 52 Stat. 71.)

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 1407. Purchase from assignee of certificates; prices.—Nothing in sections 1401-1407 of this title shall be construed to authorize the manager, cotton pool, to pay the assignee or any holder of such cotton pool participation trust certificates, form C-5-I, transferred subsequent to May 1, 1937, as shown by the records of the Department of Agriculture, more than the purchase price paid by the assignee or holder of such certificate or certificates with interest at the rate of 4 per centum per annum from the date of purchase, provided the amount paid such assignee shall not exceed \$1 per bale. Before making payment to any assignee, whose certificates were transferred subsequent to May 1, 1937, such assignee shall file with the manager, cotton pool, an affidavit showing the amount paid by him for such certificate and the date

of such payment, and the manager, cotton pool, is authorized to make payment to such assignee based upon the facts stated in said affidavit as aforesaid. (Feb. 16, 1938, 3 p. m., ch. 30, title IV, § 407, 52 Stat. 71; Apr. 7, 1938, ch. 107, § 15, 52 Stat. 204.)

Chapter 36.—CROP INSURANCE

§ 1501. **Short title; application of other laws.**—This chapter may be cited as the “Federal Crop Insurance Act”. Except as otherwise expressly provided the provisions in sections 590h and 590o of Title 16, as amended by Act Feb. 16, 1938, ch. 30, §§ 101-104, 52 Stat. 31-35, and sections 1291-1407 of this title, inclusive, shall not apply with respect to this chapter, and the term “chapter” wherever it appears in such sections shall not be construed to include this chapter. (Feb. 16, 1938, 3 p. m., ch. 30 title V, § 501, 52 Stat. 72.)

§ 1502. **Declaration of purpose.**—It is the purpose of this chapter to promote the national welfare by alleviating the economic distress caused by crop failures due to drought and other causes, by maintaining the purchasing power of farmers, and by providing for stable supplies of agricultural commodities for domestic consumption and the orderly flow thereof in interstate commerce. (Feb. 16, 1938, ch. 30, title V, § 502, 52 Stat. 72; June 21, 1941, ch. 214, § 1, 55 Stat. 255.)

AMENDMENTS

1941—Act June 21, 1941, cited to text, substituted “crop” for “wheat-crop” and “agricultural commodities” for “wheat”.

§ 1503. **Federal Crop Insurance Corporation; creation; offices.**—To carry out the purposes of this chapter, there is hereby created as an agency of and within the Department of Agriculture a body corporate with the name “Federal Crop Insurance Corporation” herein called the Corporation). The principal office of the Corporation shall be located in the District of Columbia, but there may be established agencies or branch offices elsewhere in the United States under rules and regulations prescribed by the Board of Directors. (Feb. 16, 1938, 3 p. m., ch. 30, title V, § 503, 52 Stat. 72.)

TRANSFER OF FUNCTIONS

Federal Crop Insurance Corporation consolidated with other agencies into Agricultural Conservation and Adjustment Administration for duration of war, see Ex. Ord. No. 9069, set out in note under section 601 of Appendix to Title 50, War.

§ 1504. **Capital stock of Corporation; subscription by United States; appropriation.**—(a) The Corporation shall have a capital stock of \$100,000,000 subscribed by the United States of America, payment for which shall, with the approval of the Secretary of Agriculture, be subject to call in whole or in part by the Board of Directors of the Corporation.

Any impairment of the capital stock described in this subsection shall be restored only out of operating profits of the Corporation.

(b) There is hereby authorized to be appropriated not more than \$100,000,000 for the purpose of subscribing to said stock.

No part of such sum shall be available prior to July 1, 1938. The appropriation for such purpose for the fiscal year ending June 30, 1939, shall not exceed \$20,000,000 and shall be made only out of the unexpended balances for the fiscal year ending June 30, 1938, of the sums appropriated pursuant to section 590o of Title 16.

(c) Receipts for payments by the United States of America for or on account of such stock shall be issued by the Corporation to the Secretary of the Treasury and shall be evidence of the stock ownership by the United States of America. (Feb. 16, 1938, 3 p. m., ch. 30, title V, § 504, 52 Stat. 72.)

§ 1504a. **Capitalization of Corporation.**—The payment for capital stock in the Federal Crop Insurance Corporation shall be effected by transfer of funds on the books of the Treasury Department to the credit of the Corporation. (June 27, 1940, ch. 437, title I, 54 Stat. 640.)

This section is not part of the "Federal Crop Insurance Act."

§ 1505. **Board of directors, compensation; manager of Corporation.**—(a) The management of the Corporation shall be vested in a Board of Directors (hereinafter called the "Board") subject to the general supervision of the Secretary of Agriculture. The Board shall consist of three persons employed in the Department of Agriculture who shall be appointed by and hold office at the pleasure of the Secretary of Agriculture.

(b) Vacancies in the Board so long as there shall be two members in office shall not impair the powers of the Board to execute the functions of the Corporation, and two of the members in office shall constitute a quorum for the transaction of the business of the Board.

(c) The Directors of the Corporation appointed as hereinbefore provided shall receive no additional compensation for their services as such directors but may be allowed actual necessary traveling and subsistence expenses when engaged in business of the Corporation outside of the District of Columbia.

(d) The Board shall select, subject to the approval of the Secretary of Agriculture, a manager, who shall be the executive officer of the Corporation with such power and authority as may be conferred upon him by the Board. (Feb. 16, 1938, 3 p. m., ch. 30, title V, § 505, 52 Stat. 72.)

§ 1506. **General powers of Corporation.**—The Corporation—

(a) shall have succession in its corporate name;

(b) may adopt, alter, and use a corporate seal, which shall be judicially noticed;

(c) may make contracts and purchase or lease and hold such real and personal property as it deems necessary or convenient in the transaction of its business, and may dispose of such property held by it upon such terms as it deems appropriate;

(d) subject to the provisions of section 1508 (c) of this title, may sue and be sued in its corporate name in any court of competent jurisdiction, State or Federal: *Provided*, That no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Corporation or its property;

(e) may adopt, amend, and repeal bylaws, rules, and regulations governing the manner in which its business may be conducted and the powers granted to it by law may be exercised and enjoyed;

(f) shall be entitled to the free use of the United States mails in the same manner as the other executive agencies of the Government;

(g) with the consent of any board, commission, independent establishment, or executive department of the Government, including any field service thereof, may avail itself of the use of information, services, facilities, officials, and employees thereof in carrying out the provisions of this chapter;

(h) may conduct researches, surveys, and investigations relating to crop insurance, and preparatory to the application of the chapter to other basic commodities when so provided by law, shall assemble data relative to field corn, for the purpose of establishing a satisfactory actuarial basis for such commodity.

(i) shall determine the character and necessity for its expenditures under this subchapter and the manner in which they shall be incurred, allowed, and paid, without regard to the provisions of any other laws governing the expenditure of public funds and such determinations shall be final and conclusive upon all other officers of the Government; and

(j) shall have such powers as may be necessary or appropriate for the exercise of the powers herein specifically conferred upon the Corporation and all such incidental powers as are customary in corporations generally. (Feb. 16, 1938, 3 p. m., ch. 30, title V, § 506, 52 Stat. 73; June 21, 1941, ch. 214, § 2, 55 Stat. 255.)

AMENDMENTS

1941—Subsec. (h) was amended by act June 21, 1941, cited to text, which substituted for “for wheat and other agricultural commodities” the words “and preparatory to the application of the chapter to other basic commodities when so provided by law, shall assemble data relative to field corn, for the purpose of establishing a satisfactory actuarial basis for such commodity”.

TRANSFER OF FUNCTIONS

Wartime consolidation of Federal Crop Insurance Corporation into Agricultural Conservation and Adjustment Administration, see note under section 1503 of this title.

§ 1507. Personnel of corporation—(a) Appointment; civil service exemption; compensation; bonds.—The Secretary shall appoint such officers and employees as may be necessary for the transaction of the business of the Corporation, which appointments may be made without regard to the civil-service laws and regulations, fix their compensation in accordance with the provisions of sections 661-663, 664-673, 674 of title 5, as amended, define their authority and duties, delegate to them such of the powers vested in the Corporation as he may determine, require bond of such of them as he may designate, and fix the penalties and pay the premiums of such bonds. The appointment of officials and the selection of employees by the Secretary shall be made only on the basis of merit and efficiency.

(b) Application of workmen's compensation law.—Insofar as applicable, the benefits of section 751-791, 792, 793 of Title 5, as

amended, shall extend to persons giving employment under the provisions of this chapter, including the employees of the committees and associations referred to in subsection (c) of this section and the members of such committees.

(c) Utilization of associations of producers; payment of expenses.—The Board may establish or utilize committees or associations of producers in the administration of this chapter and make payments to such committees or associations to cover the estimated administrative expenses to be incurred by them in cooperating in carrying out this chapter and may provide that all or part of such estimated expenses may be included in the insurance premiums provided for in this chapter.

(d) Allotment of funds to Federal and State agencies.—The Secretary of Agriculture may allot to bureaus and offices of the Department of Agriculture or transfer to such other agencies of the State and Federal Governments as he may request to assist in carrying out this chapter any funds made available pursuant to the provisions of section 1516 of this title.

(e) Utilization of producer cooperative associations.—In carrying out the provisions of this chapter the Board may, in its discretion, utilize producer-owned and producer-controlled cooperative associations. (Feb. 16, 1938, 3 p. m., ch. 30, title V, § 507, 52 Stat. 73.)

§ 1508. Wheat crop insurance.—To carry out the purposes of this chapter the Corporation is authorized and empowered—

(a) Insurance against loss authorized; terms and conditions.—
(1) Commencing with the wheat, cotton, and flax crops planted for harvest in 1945, to insure, upon such terms and conditions as it may determine, producers of wheat, cotton, and flax against loss in yields due to unavoidable causes, including drought, flood, hail, wind, frost, winter-kill, lightning, fire, excessive rain, snow, wild-life, hurricane, tornado, insect infestation, plant disease, and such other unavoidable causes as may be determined by the Board. Such insurance shall cover a percentage to be determined by the Board not in excess of 75 per centum of the recorded or appraised average yield of such commodities on the insured farm for a representative period subject to such adjustments as the Board may prescribe to the end that the average yields fixed for farms in the same area, which are subject to the same conditions, may be fair and just. Such insurance shall not cover losses due to the neglect or malfeasance of the producer, or to the failure of the producer to reseed to the same crop in areas and under circumstances where it is customary to so reseed, or to the failure of the producer to follow established good farming practices. Insurance shall not be provided in any county unless written applications therefor are filed covering at least fifty farms or one-third of the farms normally producing the agricultural commodities authorized to be insured, except that insurance may be provided for producers on farms situated in a local producing area bordering on a county with a crop-insurance program. The Board may limit insurance in any county or area, or on any farm, on the basis of the insurance risk involved.

(2) For the purpose of determining the most practical plan, terms, and conditions of insurance with respect to corn, dry beans, oats, barley, rye, tobacco, rice, peanuts, soybeans, sugar beets, sugarcane, timber and forests, potatoes and other vegetables, citrus and other fruits, tame hay, and any other agricultural commodity, if sufficient actuarial data are available, as determined by the Board, to insure upon such terms and conditions not inconsistent with the provisions of this chapter as it may determine, producers of such agricultural commodities against loss due to the unavoidable causes covered in paragraph (1) of this subsection: *Provided*, That such insurance shall be limited in 1945 to corn and tobacco and to not more than three additional crops for each year thereafter. Insurance provided for any agricultural commodity under this paragraph shall be subject to the limitations and conditions provided in paragraph (1) of this subsection, shall be for a period of not more than three years, and shall be limited to producers in not to exceed twenty counties selected by the Board as representative of the several areas where the agricultural commodity is normally produced: *Provided, however*, That such insurance may cover a percentage not in excess of 75 per centum of the investment in the crop, as determined by the Board. The Corporation shall report annually to the Congress the results of its operations as to each commodity under this paragraph.

(b) **Premiums.**—To fix adequate premiums for insurance in the agricultural commodity or in cash, at such rates as the Board deems sufficient to cover claims for crop losses on such insurance and to establish as expeditiously as possible a reasonable reserve against unforeseen losses. Such premiums shall be collected at such time or times, or shall be secured in such manner, as the Board may determine: *Provided*, That, after the crop year of 1949, not more than a sum equivalent to 25 per centum of the premiums collected in the preceding year (beginning calculation of premiums collected in the crop year of 1949) shall be used for administrative expenses in any current operating year.

(c) **Payment of claims; actions on claims.**—To adjust and pay claims for losses in the agricultural commodity or in cash, under rules prescribed by the Board: *Provided, however*, That, after the crop year of 1949, if the total amount of accumulated claims for losses on any agricultural commodity for any year exceeds the total amount of the premiums collected less the accumulated premium reserves of the Corporation with respect to any such commodity, which reserves, after the crop year of 1948, shall not be less than 10 per centum of the premiums collected on such commodity), such claims shall be paid on a pro rata reduced basis. The Corporation shall provide for the posting annually in each county at the county courthouse of a list of indemnities paid for losses on farms in such county. In the event that any claim for indemnity under the provisions of this chapter is denied by the Corporation, an action on such claim may be brought against the Corporation in the United States district court, or in any court of record of the State having general jurisdiction, sitting in the district or county in which the insured farm is located,

and jurisdiction is hereby conferred upon such district courts to determine such controversies without regard to the amount in controversy: *Provided*, That no suit on such claim shall be allowed under this section unless the same shall have been brought within one year after the date when notice of denial of the claim is mailed to and received by the claimant.

(d) **Purchase and sale of agricultural commodity.**—From time to time, in such manner and through such agencies as the Board may determine, to purchase, handle, store, insure, provide storage facilities for, and sell the agricultural commodity, and pay any expenses incidental thereto, it being the intent of this provision, however, that, insofar as practicable, the Corporation shall purchase the agricultural commodity only at the rate and to a total amount equal to the payment of premiums in cash by farmers or to replace promptly the agricultural commodity sold to prevent deterioration; and shall sell the agricultural commodity only to the extent necessary to cover payments of indemnities and to prevent deterioration: *Provided, however*, That nothing in this section shall prevent prompt offset purchase and sales of the agricultural commodity for convenience in handling. Nothing in this section shall prevent the Corporation from accepting, for the payment of premiums, notes payable in the commodity insured, or the cash equivalent, upon such security as may be determined pursuant to subsection (b) of this section, and from purchasing the quantity of the commodity represented by any of such notes not paid at maturity. The restriction on the purchase and sale of the agricultural commodity provided in this section shall be made a part of any crop insurance agreement made under this chapter. Notwithstanding any provision of this chapter, there shall be no limitation upon the legal or equitable remedies available to the insured to enforce against the Corporation the foregoing restriction with respect to purchases and sales of the agricultural commodity.

(e) In connection with insurance upon yields of cotton, to include provision for additional premium and indemnity in terms of lint cotton to cover loss of cottonseed, such additional premium and indemnity to be determined on the basis of the average relationship between returns from cottonseed and returns from lint cotton for the same period of years as that used for computing yields and premium rates. (Feb. 16, 1938, 3 p. m., ch. 30, title V, § 508, 52 Stat. 74; June 22, 1938, ch. 563, 52 Stat. 835; June 21, 1941, ch. 214, §§ 3-7, 10, 55 Stat. 255, 256; Dec. 23, 1944, ch. 731, §§ 1-3, 58 Stat. 918, 919.)

AMENDMENTS

1944—Subsec. (a) amended generally by act Dec. 23, 1944, cited to text, to provide insurance against loss not only for wheat and cotton crops but also for flax, corn, oats, etc.

Subsec. (b) amended by act Dec. 23, 1944, cited to text, which provided for the establishment of such rates as would cover crop losses and build up a reasonable reserve, and added proviso.

Subsec. (c) amended by act Dec. 23, 1944, cited to text, which inserted first proviso, and inserted "and received" following "mailed to" in last proviso.

1941—Subsec. (a) was amended by act June 21, 1941, cited to text, which struck out comma following "1939" and inserted in lieu thereof "and with

the cotton crop planted for harvest in 1942;" struck out the words "producers of wheat against loss in yields of wheat" and substituted in lieu thereof "producers of the agricultural commodity against loss in yields of the agricultural commodity" in the first sentence; and substituted "the agricultural commodity" for "wheat" in the third sentence.

Subsecs. (b), (c), (d) were amended by act June 21, 1941, cited to text, which substituted the words "the agricultural commodity" for "wheat" throughout, and in subsec. (d) second sentence was inserted.

Subsec. (e) was added by act June 21, 1941, cited to text.

TRANSFER OF FUNCTIONS

Wartime consolidation of Federal Crop Insurance Corporation into Agricultural Conservation and Adjustment Administration, see note under section 1503 of this title.

§ 1509. Exemption of indemnities from levy.—Claims for indemnities under this chapter shall not be liable to attachment, levy, garnishment, or any other legal process before payment to the insured or to deduction on account of the indebtedness of the insured or his estate to the United States except claims of the United States or the Corporation arising under this chapter. (Feb. 16, 1938, 3 p. m., ch. 30, title V, § 509, 52 Stat. 75.)

§ 1510. Deposit and investment of funds; Federal Reserve banks as fiscal agents.—All money of the Corporation not otherwise employed may be deposited with the Treasurer of the United States or in any bank approved by the Secretary of the Treasury, subject to withdrawal by the Corporation at any time, or with the approval of the Secretary of the Treasury may be invested in obligations of the United States or in obligations guaranteed as to principal and interest by the United States. Subject to the approval of the Secretary of the Treasury, the Federal Reserve banks are hereby authorized and directed to act as depositories, custodians, and fiscal agents for the Corporation in the performance of its powers conferred by this chapter. (Feb. 16, 1938, 3 p. m., ch. 30, title V, § 510, 52 Stat. 75.)

§ 1511. Tax exemption.—The Corporation, including its franchise, its capital, reserves, and surplus, and its income and property, shall be exempt from all taxation now or hereafter imposed by the United States or by any Territory dependency, or possession thereof, or by any State, county, municipality, or local taxing authority. (Feb. 16, 1938, 3 p. m., ch. 30, title V, § 511, 52 Stat. 75.)

§ 1512. Corporation as fiscal agent of government.—When designated for that purpose by the Secretary of the Treasury, the Corporation shall be a depository of public money, except receipts from customs, under such regulations as may be prescribed by said Secretary; and it may also be employed as a financial agent of the Government; and it shall perform all such reasonable duties, as a depository of public money and financial agent of the Government, as may be required of it. (Feb. 16, 1938, 3 p. m., ch. 30, title V, § 512, 52 Stat. 75.)

§ 1513. Accounting by corporation.—The Corporation shall at all times maintain complete and accurate books of account and shall file annually with the Secretary of Agriculture a complete report as to the business of the Corporation. The financial transactions of the Corporation shall be audited at least once each year by

the General Accounting Office for the sole purpose of making a report to Congress, together with such recommendations as the Comptroller General of the United States may deem advisable: *Provided*, That such report shall not be made until the Corporation shall have had reasonable opportunity to examine the exceptions and criticisms of the Comptroller General or the General Accounting Office, to point out errors therein, explain or answer the same, and to file a statement which shall be submitted by the Comptroller General with his report. (Feb. 16, 1938, 3 p. m., ch. 30, title V, § 513, 52 Stat. 76.)

§ 1514. Crimes and offenses—(a) False statements; overvaluation of securities.—Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of influencing in any way the action of the Corporation, or for the purpose of obtaining for himself or another money, property, or anything of value, under this chapter, shall be punished by a fine of not more than \$5,000 or by imprisonment for not more than two years, or both.

(b) Speculation by employers in commodities or stock of handling corporations.—No person shall, while acting in any official capacity in the administration of this chapter, speculate, directly or indirectly, in any agricultural commodity or product thereof, to which this chapter applies, or in contracts relating thereto, or in the stock or membership interests of any association or corporation engaged in handling, processing, or disposing of any such commodity or product. Any person violating this subsection shall upon conviction thereof be fined not more than \$10,000 or imprisoned not more than two years, or both.

(c) Embezzlement, etc.; false entries; fraudulent issue of obligations of corporation.—Whoever, being connected in any capacity with the Corporation, (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to the Corporation or pledged or otherwise entrusted to it; or (2) with intent to defraud the Corporation, or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Corporation, makes any false entry in any book, report, or statement of, or to, the Corporation or draws any order, or issues, puts forth, or assigns any note or other obligation or draft, mortgage, judgment, or decree thereof; or (3) with intent to defraud the Corporation, participates or shares in or receives directly or indirectly any money, profit, property, or benefits through any transaction, loan, commission, contract, or any other act of the Corporation, shall be punished by a fine of not more than \$10,000 or by imprisonment for not more than five years, or both.

(d) Misappropriation of pledged securities.—Whoever willfully shall conceal, remove, dispose of, or convert to his own use or to that of another, any property mortgaged or pledged to, or held by, the Corporation, as security for any obligation, shall be punished by a fine of not more than \$5,000 or by imprisonment for not more than two years, or both.

(e) Conspiracy to commit offense.—Whoever conspires with another to accomplish any of the acts made unlawful by the pre-

ceding provisions of this section shall, on conviction thereof, be subject to the same fine or imprisonment, or both, as is applicable in the case of conviction for doing such unlawful act.

(f) Application of laws on interest of members of Congress in contracts.—The provisions of sections 202-207 of Title 18 insofar as applicable, are extended to apply to contracts or agreements with the Corporation under this chapter: *Provided, however,* That the provisions of section 22 of Title 41 and sections 204 and 205 of Title 18 shall not apply to any crop-insurance agreements made under this chapter. (Feb. 16, 1938, 3 p. m., ch. 30, title V, § 514, 52 Stat. 76.)

§ 1515. Advisory committee; appointment and compensation.—The Secretary of Agriculture is authorized to appoint from time to time, an advisory committee, consisting of not more than five members experienced in agricultural pursuits and appointed with due consideration to their geographical distribution, to advise the Corporation with respect to carrying out the purposes of this chapter. The compensation of the members of such committee shall be determined by the Board but shall not exceed \$10 per day each while actually employed and actual necessary traveling and subsistence expenses, or a per diem allowance in lieu thereof. (Feb. 16, 1938, 3 p. m., ch. 30, title V, § 515, 52 Stat. 77.)

§ 1516. Appropriations and regulations.—(a) There are hereby authorized to be appropriated such sums, not in excess of \$12,000,000 for each fiscal year beginning after June 30, 1938, as may be necessary to cover the operating and administrative costs of the Corporation, which shall be allotted to the Corporation in such amounts and at such time or times as the Secretary of Agriculture may determine: *Provided,* That expenses in connection with the purchase, transportation, handling, or sale of the agricultural commodity may be considered by the Corporation as being nonadministrative or nonoperating expenses. For the fiscal year ending June 30, 1939, the appropriation authorized under this subsection is authorized to be made only out of the unexpended balances for the fiscal year ending June 30, 1938, of the sums appropriated pursuant to section 5900 of Title 16, as amended.

(b) The Secretary and the Corporation, respectively, are authorized to issue such regulations as may be necessary to carry out the provisions of this chapter. (Feb. 16, 1938, 3 p. m., ch. 30, title V, § 516, 52 Stat. 77; June 21, 1941, ch. 214, §§ 6, 8, 55 Stat. 255, 256.)

AMENDMENTS

1941—Subsec. (a) was amended by act June 21, 1941, cited to text, which substituted the words "the agricultural commodity" for "wheat", and substituted "\$12,000,000" for "\$6,000,000".

TRANSFER OF FUNCTIONS

Wartime consolidation of Federal Crop Insurance Corporation into Agricultural Conservation and Adjustment Administration, see note under section 1503 of this title.

§ 1517. Separability clause.—The sections of this chapter and subdivisions of sections are hereby declared to be separable, and in the event any one or more sections or parts of the same of

this chapter be held to be unconstitutional, the same shall not affect the validity of other sections or parts of sections of this chapter. (Feb. 16, 1938, 3 p. m., ch. 30, title V, § 517, 52 Stat. 77.)

§ 1518. Agricultural commodity defined.—"Agricultural commodity", as used in this chapter, means wheat, cotton, flax, corn, dry beans, oats, barley, rye, tobacco, rice, peanuts, soybeans, sugar beets, sugarcane, timber and forests, potatoes and other vegetables, citrus and other fruits, tame hay, or any other agricultural commodity determined by the Board pursuant to subsection (a) (2) of section 1508 of this title, or any one or more of such commodities, as the context may indicate. (Feb. 16, 1938, 3 p. m., ch. 30, title V, § 518, as added June 21, 1941, ch. 214, § 9, 55 Stat. 256, and amended Dec. 23, 1944, ch. 713, § 4, 58 Stat. 919.)

AMENDMENTS

1944—Act Dec. 23, 1944, cited to text, amended section by increasing scope of definition of "agricultural commodity" from "wheat or cotton" to include all crops now set out.

FORMER SECTION 1518 RENUMBERED

Former section 1518 was renumbered by act June 21, 1941, cited to text and now constitutes section 1519 of this title.

§ 1519. Amendment or repeal.—The right to alter amend, or repeal this chapter is hereby reserved. (Feb. 16, 1938, 3 p. m., ch. 30, title V, § 518, 52 Stat. 77; renumbered § 519, June 21, 1941, ch. 214, § 9, 55 Stat. 256.)

Chapter 37.—SEEDS

§ 1551. Short title.—This chapter may be cited as the "Federal Seed Act." (Aug. 9, 1939, ch. 615, § 1, 53 Stat. 1275.)

SUBCHAPTER I.—DEFINITIONS

§ 1561. Definition of terms.—(a) When used in this chapter—

(1) The term "United States" means the several States, Alaska, District of Columbia, Hawaii, and Puerto Rico.

(2) The term "person" includes a partnership, corporation, company, society, or association.

(3) The term "interstate commerce" means—

(A) commerce between any State, Territory, possession, or the District of Columbia, and any other State, Territory, possession, or the District of Columbia; or

(B) commerce between points within the same State, Territory, or possession, or the District of Columbia, but through any place outside thereof; or

(C) commerce within the District of Columbia.

(4) For the purposes of this chapter with respect to labeling for variety and origin (but not in anywise limiting the foregoing definition), seeds shall be considered to be in interstate commerce, or delivered for transportation in interstate commerce, if such seeds are part of, or delivered for transportation in, that current of commerce usual in the transportation and/or merchandising of seeds, whereby such seeds are sent from one State with

the expectation that they will end their transit in another, including, in addition to cases within the above general description, all cases where seeds are transported or delivered for transportation to another State, or for processing or cleaning for seeding purposes within the State and shipment outside the State of the processed or cleaned seeds. Seeds normally in such current of commerce shall not be considered out of such current through resort being had to any means or device intended to remove transactions in respect thereto from the provisions of this chapter.

(5) The term "foreign commerce" means commerce between the United States, its possessions, or any Territory of the United States, and any foreign country.

(6) (a) The term "district court of the United States" means any court exercising the powers of a district court of the United States.

(b) The term "circuit court of appeals," in case the principal place of business or the place of residence of a person against whom a cease and desist order is issued is in the District of Columbia, includes the Court of Appeals of the District of Columbia.

(7) The term—

(A) "Agricultural seeds" shall include grass, forage, and field crop seeds, as follows:

Agropyron cristatum (L.) Beauv.—Crested wheatgrass.

Agropyron pauciflorum (Schwein.) Hitchc.—Slender wheatgrass.

Agropyron smithii Rydb.—Bluestem.

Agrostis alba L.—Redtop.

Agrostis canina L.—Velvet bent

Agrostis palustris Huds.—Creeping bent.

Agrostis spp.—Bentgrasses.

Avena spp.—Oat.

Beta vulgaris L.—Field beet, excluding sugar beet.

Brassica napus L.—Winter rape.

Bromus inermis Leyss.—Smooth brome.

Chloris gayana Kunth.—Rhodes grass.

Cynosurus cristatus L.—Crested dogtail.

Dactylis glomerata L.—Orchard grass.

Echinochloa crusgalli frumentacea (Roxb.) Wight.—Japanese millet.

Fagopyrum vulgare Hill.—Common buckwheat.

Festuca spp.—Fescue.

Gossypium spp.—Cotton.

Hordeum spp.—Barley.

Lespedeza sericea (Thumb.) Miq.—Chinese lespedeza.

Lespedeza stipulacea Maxim.—Korean lespedeza.

Lespedeza striata (Thumb.) Hook and Arn.—Common and Kobe lespedeza.

Linum usitatissimum L.—Flax.

Lolium multiflorum Lam.—Italian ryegrass.

Lolium perenne L.—Perennial ryegrass.

Medicago arabica (L.) All.—Bur-clover.

Medicago hispida Gaertn.—Bur-clover.

- Medicago lupulina* L.—Black medick.
Medicago sativa L.—Alfalfa.
Melilotus alba Desr.—White sweetclover.
Melilotus indica (L.) All.—Sourclover.
Melilotus officinalis (L.) Lam.—Yellow sweetclover.
Melinis minutiflora Beauv.—Molasses grass.
Oryza sativa L.—Rice.
Panicum fasciculatum Swartz.—Browntop millet.
Panicum miliaceum L.—Proso.
Paspalum dilatatum Poir.—Dallis grass.
Paspalum notatum Fluegge.—Bahia grass.
Pennisetum glaucum (L.) R. Br.—Pearl millet.
Pennisetum purpureum Schumach.—Napier grass.
Phleum pratense L.—Timothy.
Phalaris arundinacea L.—Reed canary grass.
Pisum sativum arvense L. (Poir.).—Field pea, Austrian winter pea.
Poa annua L.—Annual bluegrass.
Poa compressa L.—Canada bluegrass.
Poa nemoralis L.—Wood bluegrass.
Poa pratensis L.—Kentucky bluegrass.
Poa trivialis L.—Rough bluegrass.
Secale cereale L.—Rye.
Setaria italica (L.) Beauv.—Foxtail, German, Hungarian, or golden millet.
Soja max (L.) Piper.—Soybean.
Sorghum vulgare Pers.—Sorghum.
Sorghum vulgare sudanese (Piper) Hitchc.—Sudan grass.
Stizolobium utile (Wall.) Piper and Tracy.—Velvetbean.
Trifolium dubium Sibth.—Suckling clover.
Trifolium hybridum L.—Alsike clover.
*Trifolium*¹ *incarnatum* L.—Crimson clover.
*Trifolium*¹ *pratense* L.—Red clover.
Trifolium repens L.—White clover.
Triticum spp.—Wheat; spelt; emmer.
Vicia angustifolia (L.) Reich.—Narrowleaf vetch.
Vicia atropurpurea Desf.—Purple vetch.
Vicia dasycarpa Ten.—Woollypod vetch.
Vicia monantha Desf.—Monantha vetch.
Vicia pannonica Crantz.—Hungarian vetch.
Vicia sativa L.—Common vetch.
Vicia villosa Roth.—Hairy vetch.
Vigna sinensis (Torner) Savi.—Cowpea.
Zea mays L.—Field corn:

Provided, That the Secretary of Agriculture is authorized by rules and regulations to add to or take from such list of agricultural seed, when he finds that any seeds are or are not used for seeding purposes in the United States.

(B) "Vegetable seeds" shall include the seeds of those crops that are or may be grown in gardens or on truck farms and are or

¹ So in original. Probably should read "Trifolium."

may be generally known and sold under the name of vegetable seeds.

(8) (A) For the purpose of subchapter II of this chapter, the term "weed seeds" means the seeds or bulblets of plants recognized as weeds either by the law or rules and regulations of—

(i) The State into which the seed is offered for transportation, or transported; or

(ii) Alaska, Hawaii, Puerto Rico, or District of Columbia into which transported, or District of Columbia in which sold.

(B) For the purpose of subchapter III of this chapter, the term "weed seed" means seeds or bulblets of plants which are found by the Secretary of Agriculture to be detrimental to the agricultural interests of the United States, or any part thereof.

(9) (A) For the purpose of subchapter II of this chapter, the term "noxious-weed seeds" means the seeds or bulblets of plants recognized as noxious—

(i) by the law or rules and regulations of the State into which the seed is offered for transportation, or transported;

(ii) by the law or rules and regulations of Alaska, Hawaii, Puerto Rico, or the District of Columbia, into which transported, or District of Columbia in which sold; or

(iii) by the rules and regulations of the Secretary of Agriculture under this chapter, when after investigation he shall determine that a weed is noxious in the United States or in any specifically designated area thereof.

(B) For the purpose of subchapter III of this chapter, the term "noxious-weed seeds" means the seeds of *Lepidium draba* L., *Lepidium repens* (Schrenk) Boiss., *Hymenophyllum pubescens* C. A., Mey., white top; *Cirsium arvense* (L.) Scop., Canada thistle; *Cuscuta* spp. dodder; *Agropyron repens* (L.) Beauv., quackgrass; *Sorghum halepense* (L.) Pers., Johnson grass; *Convolvulus arvensis* L., bindweed; *Centaurea picris* Pall., Russian knapweed; *Sonchus arvensis* L., perennial sowthistle; *Euphorbia esula* L., leafy spurge; and seeds or bulblets of any other kinds which after investigation the Secretary of Agriculture finds should be included.

(10) The term "origin" means the State, Alaska, District of Columbia, Hawaii, Puerto Rico, or possession of the United States, or the foreign country, or designated portion thereof, where the seed was grown.

(11) The term "kind" means one or more related species or subspecies which singly or collectively is known by one common name, for example, wheat, oat, vetch, sweetclover, cabbage, cauliflower, and so forth.

(12) The term "variety" means a subdivision of a kind which is characterized by growth, plant, fruit, seed, or other characters by which it can be differentiated from other sorts of the same kind, for example, Marquis wheat, Flat Dutch cabbage, Manchu soybeans, Oxheart, carrot, and so forth.

(13) The term "type" means either (A) a group of varieties so nearly similar that the individual varieties cannot be clearly differentiated except under special conditions, or (B) when used with a variety name means seed of the variety named which

may be mixed with seed of other varieties of the same kind and of similar character, the manner of and the circumstances connected with the use of the designation to be governed by rules and regulations prescribed under section 1592 of this title.

(14) The term "germination" means the percentage of seeds capable of producing normal seedlings under ordinarily favorable conditions (not including seeds which produce weak, malformed, or obviously abnormal sprouts), determined by methods prescribed under section 1593 of this title.

(15) The term "hard seeds" means the percentage of seeds which because of hardness or impermeability do not absorb moisture or germinate under prescribed tests but remain hard during the period prescribed for germination of the kind of seed concerned, determined by methods prescribed under section 1593 of this title.

(16) The term "inert matter" means all matter not seeds, and includes among others broken seeds, sterile florets, chaff, fungus bodies, and stones, determined by methods prescribed under section 1593 of this title.

(17) The term "pure live seed" for the purpose of subchapter III of this chapter means that portion of any lot of seed subject to this chapter that consists of live agricultural or vegetable seed determined by methods prescribed under section 1593 of this title.

(18) The term "label" means the display or displays of written, printed, or graphic matter upon or attached to the container of seed.

(19) The term "labeling" includes all labels, and other written, printed, and graphic representations, in any form whatsoever, accompanying and pertaining to any seed whether in bulk or in containers, and includes invoices.

(20) The term "advertisement" means all representations, other than those on the label, disseminated in any manner or by any means, relating to seed within the scope of this chapter.

(21) Subject to such tolerances as the Secretary of Agriculture is authorized to prescribe under the provisions of this chapter—

(A) the term "false labeling" means any labeling which is false or misleading in any particular;

(B) the term "false advertisement" means any advertisement which is false or misleading in any particular.

(22) The term "screenings" shall include chaff, sterile florets, immature seed, weed seed, inert matter, and any other materials removed in any way from any seeds in any kind of cleaning or processing and which contain less than 25 per centum of live agricultural or vegetable seeds.

(23) The term "in bulk" refers to seed when loose either in vehicles of transportation or in storage, and not to seed in bags or other containers. (Aug. 9, 1939, ch. 615, title I, § 101, 53 Stat. 1275.)

EFFECTIVE DATE

See section 1610 of this title.

SUBCHAPTER II.—INTERSTATE COMMERCE

§ 1571. Prohibitions relating to interstate commerce in certain seeds.—It shall be unlawful for any person to transport or deliver for transportation in interstate commerce—

(a) Any agricultural seeds or any mixture of agricultural seeds for seeding purposes, unless each container bears a label giving the following information in accordance with rules and regulations prescribed under section 1592 of this title:

(1) The name of (A) kind, or (B) kind and variety, or (C) kind and type, for each agricultural seed component present in excess of 5 per centum of the whole and the percentage by weight of each: *Provided*, That such components are expressed in accordance with the category designated under (A), (B), or (C);

(2) Lot number or other identification;

(3) Origin, stated in accordance with paragraph (a) (1) of this section, of each agricultural seed present which has been designated by the Secretary of Agriculture as one on which a knowledge of the origin is important from the standpoint of crop production, if the origin is known, and if each such seed is present in excess of 5 per centum. If the origin of such agricultural seed or seeds is unknown, that fact shall be stated;

(4) Percentage by weight of weed seeds, including noxious-weed seeds;

(5) Kinds of noxious-weed seeds and the rate of occurrence of each, which rate shall be expressed in accordance with and shall not exceed the rate allowed for shipment, movement, or sale of such noxious-weed seeds by the law and regulations of the State into which the seed is offered for transportation or transported or in accordance with the rules and regulations of the Secretary of Agriculture, when under the provisions of section 1561 (a)

(9) (A) (iii) of this title he shall determine that weeds other than those designated by State requirements are noxious;

(6) Percentage by weight of agricultural seeds other than those included under paragraph (a) (1) of this section;

(7) Percentage by weight of inert matter;

(8) For each agricultural seed, in excess of 5 per centum of the whole, stated in accordance with paragraph (a) (1) of this section, (A) percentage of germination, exclusive of hard seed, (B) percentage of hard seed, if present, (C) the calendar month and year the test was completed to determine such percentages;

(9) Name and address of (A) the person who transports, or delivers for transportation, said seed in interstate commerce, or (B) the person to whom the seed is sold or shipped for resale, together with a code designation approved by the Secretary of Agriculture under rules and regulations prescribed under section 1592 of this title, indicating the person who transports or delivers for transportation said seed in interstate commerce;

(b) Any vegetable seeds, for seeding purposes, in containers, unless each container bears a label giving the following information in accordance with rules and regulations prescribed under section 1592 of this title;

(1) Name of kind and variety of seed;

(2) For seeds which germinate less than the standard last

established by the Secretary of Agriculture, as provided under section 1593 (c) of this title—

- (i) percentage of germination, exclusive of hard seed;
- (ii) percentage of hard seed, if present;
- (iii) the calendar month and year the test was completed to determine such percentages;

(iv) the words "Below Standard"; and

(3) Name and address of—

(A) The person who transports, or delivers for transportation, said seed in interstate commerce; or

(B) the person to whom the seed is sold or shipped for resale, together with a code designation approved by the Secretary of Agriculture under rules and regulations prescribed under section 1592 of this title, indicating the person who transports or delivers for transportation said seed in interstate commerce.

(c) Any agricultural or vegetable seed unless the test to determine the percentage of germination required by this section shall have been completed within a five-month period, exclusive of the calendar month in which the test was completed, immediately prior to transportation or delivery for transportation in interstate commerce: *Provided, however,* That the Secretary of Agriculture may by rules and regulations designate: (a) a shorter period for kinds of agricultural or vegetable seed which he finds under ordinary conditions of handling will not maintain, during the afore-said five-month period, a germination within the established limits of tolerance; or (b) a longer period not to exceed nine months, exclusive of the calendar month in which the test was completed, for kinds of agricultural or vegetable seed which he finds under ordinary conditions of handling will maintain during such longer period a germination within the established limits of tolerance.

(d) Any agricultural seeds or vegetable seeds having a false labeling, or pertaining to which there has been a false advertisement, or to sell or offer for sale such seed for interstate shipment by himself or others.

(e) Seed which is required to be stained under the provisions of this chapter and the regulations made and promulgated thereunder, and is not so stained.

(f) Seed which has been stained to resemble seed stained in accordance with the provisions of this chapter and the regulations made and promulgated thereunder.

(g) Seed which is a mixture of seeds which are required to be stained or which are stained with different colors under the provisions of this chapter and of the regulations made and promulgated thereunder, or which is a mixture of any seed required to be stained under the provisions of this chapter and of the regulations made and promulgated thereunder, with seed of the same kind produced in the United States.

(h) Screenings of any seed subject to this chapter, unless they are not intended for seeding purposes; and it is stated on the label, if in containers, or on the invoice if in bulk, that they are intended for cleaning, processing, or manufacturing purposes, and not for seeding purposes. (Aug. 9, 1939, ch. 615, title II, § 201, 53 Stat. 1279.)

EFFECTIVE DATE

See section 1610 of this title.

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 1572. Records.—All persons transporting, or delivering for transportation, in interstate commerce agricultural seeds shall keep for a period of three years a complete record of origin, germination and purity of each lot of agricultural seed offered, and the Secretary of Agriculture, or his duly authorized agents, shall have the right to inspect such records for the purpose of the effective administration of this chapter. (Aug. 9, 1939, ch. 615, title II, § 202, 53 Stat. 1281.)

EFFECTIVE DATE

See section 1610 of this title.

§ 1573. Exemptions.—(a) **Carrier transporting seeds.**—The provisions of sections 1571 and 1572 of this title shall not apply to any carrier in respect to any seed transported or delivered for transportation in the ordinary course of its business as a carrier: *Provided*, That such carrier is not engaged in processing or merchandising seed subject to the provisions of this chapter; and such provisions shall not apply to seeds produced by any farmer on his own premises and sold by him directly to the consumer, provided such farmer is not engaged in the business of selling seeds not produced by him: *And provided further*, That such seeds produced or sold by him when transported or offered for transportation to any State, Territory, or District, shall not be exempted from the provisions of sections 1571 and 1572 of this title unless said seeds shall be in compliance with the operation and effect of the laws of such State, Territory, or District, enacted in the exercise of its police power, to the same extent and in the same manner as though such seed had been produced, sold, offered or exposed for sale in such State, Territory, or District, and shall not be exempted therefrom by reason of being introduced therein in original packages or otherwise: *And provided further*, That such seeds produced or sold by him are in compliance with the seed laws of the State into which the seed is transported.

(b) **Seeds for seeding purposes.**—The provisions of section 1571 (a) or (b) of this title shall not apply—

(1) to seed or grain not intended for seeding purposes when transported or offered for transportation in ordinary channels of commerce usual for such seed or grain intended for manufacture or for feeding; or

(2) to seed intended for seeding purposes when transported or offered for transportation in interstate commerce—

(A) if in bulk, in which case, however, the invoice pertaining to such seed shall bear the various statements required for the respective seeds under section 1571 (a) and (b) of this title; or

(B) if consigned to a seed cleaning or processing establishment, to be cleaned or processed for seeding purposes: *Provided*,

That this fact is so stated in the invoice, if in bulk, or on attached labels, if in containers: *Provided further*, That any such seed later to be labeled as to origin and/or variety, and for which consecutive records are necessary to establish these facts, shall be labeled as to these items in accordance with rules and regulations prescribed under section 1592 of this title.

(c) Emergency preventing presentation of information.—When the Secretary of Agriculture finds that, because of the time interval between seed harvesting and sowing, or because of an emergency beyond human control, the information required by this chapter as to the germination, and hard seed of certain kinds of seeds, cannot be given prior to transportation or delivery for transportation in interstate commerce, he may promulgate, with or without a hearing, rules and regulations providing that the provisions of section 1571 (a) and (b) of this title as to the required labeling for germination and hard seed shall not apply for such period and to such kinds of seed as he may specify in his said rules and regulations.

(d) Intermixture of unidentified seeds.—The provisions of section 1571 (a) and (b) of this title relative to the labeling of agricultural and vegetable seeds with the percentages of the kind or variety of type of seeds shall not be deemed violated if there be other seeds in the container or bulk which could not be, or were not, identified because of their indistinguishability in appearance from the seeds intended to be transported or delivered for transportation in interstate commerce, provided that the records of the person charged with the duty under said section of labeling or invoicing the seeds, kept in accordance with the rules and regulations of the Secretary of Agriculture, together with other pertinent facts, disclose that said person has taken all proper precautions to insure the identity to be that stated. (Aug. 9, 1939, ch. 615, title II, § 203, 53 Stat. 1281.)

EFFECTIVE DATE

See section 1610 of this title.

§ 1574. Disclaimers and nonwarranties.—The use of a disclaimer or nonwarranty clause in any invoice, advertising, labeling, or written, printed, or graphic matter, pertaining to any seed shall not constitute a defense, or be used as a defense in any way, in any prosecution, or in any proceeding for confiscation of seeds, brought under the provisions of this chapter, or the rules and regulations made and promulgated thereunder. (Aug. 9, 1939, ch. 615, title II, § 204, 53 Stat. 1282.)

EFFECTIVE DATE

See section 1610 of this title.

§ 1575. False advertising.—It shall be unlawful for any person to disseminate, or cause to be disseminated, any false advertisement concerning seed, by the United States mails, or in interstate or foreign commerce, in any manner or by any means, including radio broadcasts: *Provided, however*, That no person, advertising agency, or medium for the dissemination of advertising, except

the person who transported, delivered for transportation, sold, or offered for sale seed to which the false advertisement relates, shall be liable under this section by reason of disseminating or causing to be disseminated any false advertisement, unless he or it has refused, on the request of the Secretary of Agriculture, to furnish the Secretary the name and post-office address of the person, or advertising agency, residing in the United States, who caused, directly or indirectly, the dissemination of such advertisement. (Aug. 9, 1939, ch. 615, title II, § 205, 53 Stat. 1282.)

EFFECTIVE DATE

See section 1610 of this title.

SUBCHAPTER III.—FOREIGN COMMERCE

§ 1581. Prohibitions relating to importations.—(a) The importation into the United States is prohibited of—

(1) any seed containing 10 per centum or more of any agricultural or vegetable seeds if any such seed is adulterated or unfit for seeding purposes, or is required to be stained and is not so stained, under the terms of this subchapter, or the labeling of which is false or misleading in any respect;

(2) screenings of any seeds subject to subchapter III of this chapter (except that this shall not apply to screenings of wheat, oats, rye, barley, buckwheat, field corn, sorghum, broomcorn, flax, millet, proso, soybeans, cowpeas, field peas, or field beans, which are not imported for seeding purposes and are declared for cleaning, processing, or manufacturing purposes, and not for seeding purposes);

(3) any seed containing 10 per centum or more of the seeds of alfalfa or red clover, which has been stained prior to being offered for entry in a manner that does not permit compliance with the provisions of this subchapter and the regulations made and promulgated thereunder. (Aug. 9, 1939, ch. 615, title III, § 301, 53 Stat. 1282.)

EFFECTIVE DATE

See section 1610 of this title.

CROSS REFERENCE

Adulterated seed defined, see section 1583 of this title.

§ 1582. Procedure relating to importations; disposal of refuse; exceptions.—(a) The Secretary of the Treasury shall deliver to the Secretary of Agriculture, subject to joint rules and regulations prescribed under section 1592 of this title, samples of seed and screenings which are being imported into the United States, or offered for import, giving notice thereof to the consignee, and if it appears from the examination of such samples that any seed or screenings offered to be imported into the United States are subject to the provisions of this subchapter and do not comply with the provisions of this subchapter, or if the labeling of such seed is false or misleading in any respect, such seed or screenings shall be refused admission, and the Secretary of the Treasury shall refuse delivery to the consignee, who may appear, however,

before the Secretary of Agriculture and show cause why the seed or screenings should be admitted. Seed or screenings refused admission and not exported by the consignee within twelve months from the date of notice of such refusal shall be destroyed in accordance with joint rules and regulations prescribed under section 1592 of this title: *Provided*, That the Secretary of the Treasury may deliver to the consignee such seed or screenings pending examination and decision in the matter or for staining, if it be seed which is required to be stained, or for cleaning, on the execution of a redelivery bond for such amount as may be necessary under joint rules and regulations prescribed under section 1592 of this title, and on refusal to return such seed or screenings for any cause to the custody of the Secretary of the Treasury, when demanded, for the purpose of excluding such seed or screenings from the country, or for any other purpose, said consignee shall forfeit the full amount of the bond as liquidated damages: *And provided further*, That all charges for storage, cartage, and labor on the seed or screenings which are refused admission or delivery, shall be paid by the owner or consignee, and in default of such payment shall constitute a lien against future importation made by such owner or consignee.

(b) The refuse from any seeds or screenings which are allowed to be cleaned under bond shall be destroyed in accordance with joint rules and regulations prescribed under section 1592 of this title.

(c) The provisions of this subchapter shall not apply—

(1) when seed is shipped in bond through the United States, or

(2) when the Secretary of Agriculture finds that a substantial proportion of the importations of any kind of seed is used for other than seeding purposes, and he provides by rules and regulations that seed of such kind not imported for seeding purposes shall be exempted from the provisions of the chapter: *Provided*, That importations of such kinds of seed shall be accompanied by a declaration setting forth the use for which imported when and as required under joint rules and regulations prescribed under section 1592 of this title. (Aug. 9, 1939, ch. 615, title III, § 302, 53 Stat. 1283.)

EFFECTIVE DATE

See section 1610 of this title.

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 1583. Adulterated seed.—Seed subject to the provisions of section 1581 of this title is adulterated if any kind of such seed contains more than 5 per centum by weight of seed or seeds of another kind or kinds of similar appearance: *Provided*, That the mixture of the seed of white and alsike clover, or red clover and alsike clover, shall not be deemed to be adulterated, and that other seed mixtures of similar kinds of seeds of similar appearance shall not be deemed to be adulterated when the Secretary of Agriculture finds and prescribes by order that the importation of such

seed mixtures for planting is not detrimental to the user of such seeds (Aug. 9, 1939, ch. 615, title III, § 303, 53 Stat. 1283.)

EFFECTIVE DATE

See section 1610 of this title.

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 1584. Seed unfit for seeding purposes.—Seed subject to the provisions of section 1581 of this title is unfit for seeding purposes—

(a) If any such seed contains noxious-weed seed at a rate in excess of—

(1) one noxious-weed seed in each ten grams of the seed of timothy, orchard grass, brome grass, crested wheatgrass, slender wheatgrass, ryegrass, sweetclover, alfalfa, millet, rape, flax, clovers, and species of *Agrostis*, *Fescuca*, or *Poa*, or any kind of seed of a size and weight similar to or less than those named;

(2) one noxious-weed seed in each twenty-five grams of the seed of sorghum, Sudan grass, and buckwheat, or any kind of seed of a size and weight greater than the seeds referred to in (a) (1), but less than seeds referred to in (a) (3) of this section;

(3) one noxious-weed seed in each one hundred grams of the seed of wheat, oats, rye, barley, vetches, and corn, or any seed of a size and weight similar to or greater than such seed.

(b) If any such seed contains more than 2 per centum by weight of weed seeds; or

(c) If any such seed contains less than 75 per centum of pure, live seed, or if any component of such seed present to the extent of 10 per centum or more contains less than 75 per centum of live seed; *Provided*, That when the Secretary of Agriculture shall find that any such seed or any kind of seed present to the extent of 10 per centum or more cannot be produced to contain 75 per centum of pure, live seed, he may set up such standard from time to time for pure, live seed as he finds can be produced. (Aug. 9, 1939, ch. 615, title III, § 304, 53 Stat. 1284.)

EFFECTIVE DATE

See section 1610 of this title.

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 1585. Certain seeds required to be strained.—(a) Any seed containing 10 per centum or more of the seeds of alfalfa and/or red clover, subject to the provisions of section 1581 of this title, shall be stained in such manner and to such extent as the Secretary of Agriculture by regulation may prescribe and, when practicable, the color produced by such stain shall indicate the country or region of origin.

(b) Whenever the Secretary of Agriculture, after public hearing, determines that seed of alfalfa or red clover from any foreign

country or region is not adapted for general agricultural use in the United States, he shall publish such determination. On and after the expiration of ninety days after the date of such publication, and until such determination is revoked, 10 per centum or more of the seeds in each container of such alfalfa or red clover seed, or any seed containing 10 per centum or more of such alfalfa or red clover seed, shall be stained a red color, in accordance with such regulations as the Secretary of Agriculture may prescribe.

(c) Whenever the origin of the seed of alfalfa or of red clover present in excess of 10 per centum in any seed subject to section 1581 of this title is unestablished, 10 per centum of the seed in each container shall be stained a red color.

(d) Whenever the seeds of alfalfa or of red clover of different origins are present in excess of 10 per centum in any seed subject to section 1581 of this title, and different colors are required by reason of such different origins, 10 per centum of the seed in each container shall be stained red.

(e) Whenever any seed required to be stained under the provisions of this chapter is commingled with seed of the same kind grown in the United States, the seed in each container thereof shall be stained 10 per centum red. (Aug. 9, 1939, ch. 615, title III, § 305, 53 Stat. 1284.)

EFFECTIVE DATE

See section 1610 of this title.

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 1586. Certain acts prohibited.—It shall be unlawful for any person—

(a) To sell or offer for sale—

(1) any seed for seeding purposes if imported under this subchapter for other than seeding purposes;

(2) any screenings of any seeds for seeding purposes if imported under this subchapter for other than seeding purposes;

(3) any seed which is prohibited entry under the provisions of this chapter;

(4) any seed which has been stained to resemble seed stained in accordance with the provisions of this chapter and the rules and regulations made and promulgated thereunder;

(5) any seed stained under the provisions of this chapter and the rules and regulations made and promulgated thereunder, when mixed with seed of the same kind produced in the United States;

(6) any seed stained with different colors;

(7) any seed stained under the provisions of this chapter, the labeling of which states that such seed is adapted.

(b) To change the proportion of seeds stained under the provisions of this chapter and the rules and regulations made and promulgated thereunder, or to alter, modify, conceal, or remove in any manner or by any means the color of such stained seeds. (Aug. 9, 1939, ch. 615, title III, § 306, 53 Stat. 1285.)

EFFECTIVE DATE

See section 1610 of this title.

CROSS REFERENCE

Tobacco seeds, prohibition against exportation, see sections 516 and 517 of this title.

SUBCHAPTER IV.—GENERAL PROVISIONS

§ 1591. Delegation of duties.—Any duties developing upon the Secretary of Agriculture by virtue of the provisions of this chapter may with like force and effect be executed by such officer or officers, agent or agents, of the Department of Agriculture as the Secretary may designate for the purpose. (Aug. 9, 1939, ch. 615, title IV, § 401, 53 Stat. 1285.)

EFFECTIVE DATE

Section became effective August 9, 1939, see section 1610 of this title.

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 1592. Rules and regulations.—(a) The Secretary of Agriculture shall make such rules and regulations as he may deem necessary for the effective enforcement of this chapter, except as otherwise provided in this section.

(b) The Secretary of the Treasury and the Secretary of Agriculture shall make, jointly or severally, such rules and regulations as they may deem necessary for the effective enforcement of subchapter III of this chapter.

(c) Prior to the promulgation of any rule or regulation under this chapter, due notice shall be given by publication in the Federal Register of intention to promulgate and the time and place of a public hearing to be held with reference thereto, and no rule or regulation may be promulgated until after such hearing. Any rule or regulation shall become effective on the date fixed in the promulgation, which date shall be not less than thirty days after publication in the Federal Register, and may be amended or revoked in the manner provided for its promulgation. (Aug. 9, 1939, ch. 615, title IV, § 402, 53 Stat. 1285.)

EFFECTIVE DATE

Section became effective August 9, 1939, see section 1610 of this title.

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 1593. Standards, tests, tolerances.—(a) The sampling, analyses, tests, or examinations of seeds made in connection with the administration of this chapter shall be made by methods set forth by rules and regulations prescribed under section 1592 of this title.

(b) The Secretary of Agriculture is authorized and directed to make and promulgate by rules and regulations, reasonable tolerances as to the percentages and rates of occurrence required to be stated or required by this chapter.

(c) For the purpose of section 1571 (b) of this title, the Secretary of Agriculture is authorized and directed to investigate, determine, establish, and promulgate from time to time such reasonable standards of germination for each kind of vegetable seed as will in his judgment best protect crop production. (Aug. 9, 1939, ch. 615, title IV, § 403, 53 Stat. 1285.)

EFFECTIVE DATE

Section became effective August 9, 1939, see section 1610 of this title.

CROSS REFERENCE

Delegation of regulatory functions of Secretary of Agriculture, see section 516a et seq. of Title 5, Executive Departments and Government Officers and Employees.

§ 1594. Prohibition against alterations.—No person shall detach, alter, deface, or destroy any label provided for in this chapter or the rules and regulations made and promulgated thereunder by the Secretary of Agriculture, or alter or substitute seed in a manner that may defeat the purpose of this chapter. (Aug. 9, 1939, ch. 615, title IV, § 404, 53 Stat. 1286.)

EFFECTIVE DATE

See section 1610 of this title.

§ 1595. Seizure.—(a) Any seed sold, delivered for transportation in interstate commerce, or transported in interstate or foreign commerce in violation of any of the provisions of this chapter shall, at the time of such violation or at any time thereafter, be liable to be proceeded against on libel of information and condemned in any district court of the United States within the jurisdiction of which the seed is found.

(b) If seed is condemned by a decree of the court as being in violation of the provisions of this chapter, it may be disposed of by the court by—

(1) sale; or

(2) delivery to the owner thereof after he has appeared as claimant and paid the court costs and fees and storage and other proper expenses and executed and delivered a bond with good and sufficient sureties that such seed will not be sold or disposed of in any jurisdiction contrary to the provisions of this chapter and the rules and regulations made and promulgated thereunder, or the laws of such jurisdiction; or

(3) destruction.

(c) If such seed is disposed of by sale, the proceeds of the sale, less the court costs and fees and storage and other proper expenses, shall be paid into the Treasury as miscellaneous receipts, but such seed shall not be sold or disposed of in any jurisdiction contrary to the provisions of this chapter and the rules and regulations made and promulgated thereunder, or the laws of such jurisdiction.

(d) The proceedings in such libel cases shall conform, as nearly as may be, to the proceedings in admiralty, except that either party may demand trial by jury of any issue of fact joined in any such case; and such proceedings shall be at the suit of and in the name of the United States. (Aug. 9, 1939, ch. 615, title IV, § 405, 53 Stat. 1286.)

EFFECTIVE DATE

See section 1610 of this title.

§ 1596. Penalties.—Any person who violates any provision of this chapter or the rules and regulations made and promulgated thereunder shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall pay a fine of not more than \$1,000, for the first offense, and upon conviction for each subsequent offense not more than \$2,000. (Aug. 9, 1939, ch. 615, title IV, § 406, 53 Stat. 1286.)

EFFECTIVE DATE

See section 1610 of this title.

§ 1597. Agent's acts as binding principal.—When construing and enforcing the provisions of this chapter, the act, omission, or failure of any officer, agent, or other person acting for or employed by any person, partnership, corporation, company, society, or association, shall in every case be also deemed to be the act, omission, or failure of such person, partnership, corporation, company, society, or association, as well as that of the person employed. (Aug. 9, 1939, ch. 615, title IV, § 407, 53 Stat. 1286.)

EFFECTIVE DATE

See section 1610 of this title.

§ 1598. Notice of intention to prosecute.—Before any violation of this chapter is reported by the Secretary of Agriculture to any United States attorneys for institution of a criminal proceeding, the person against whom such proceeding is contemplated shall be given appropriate notice and an opportunity to prevent¹ his views, either orally or in writing, with regard to such contemplated proceeding. (Aug. 9, 1939, ch. 615, title IV, § 408, 53 Stat. 1286.)

¹ So in original. Probably should read "present".

EFFECTIVE DATE

See section 1610 of this title.

§ 1599. Cease and desist proceedings—(a) Hearing.—Whenever the Secretary of Agriculture has reason to believe that any person has violated or is violating any of the provisions of this chapter or the rules and regulations made and promulgated thereunder, he shall cause a complaint in writing to be served upon the person, stating his charges in that respect, and requiring the person to attend and testify at a hearing at a time and place designated therein, at least thirty days after the service of such complaint; and at such time and place there shall be afforded the person a reasonable opportunity to be informed as to the evidence introduced against him (including the right of cross-examination), and to be heard in person or by counsel and through witnesses, under such rules and regulations as the Secretary of Agriculture may prescribe. At any time prior to the close of the hearing the Secretary of Agriculture may amend the complaint; but in case of any amendment adding new provisions the hearing shall, on the request of the person, be adjourned for a period not exceeding fifteen days.

(b) Report of Secretary of Agriculture.—If, after such hearing, the Secretary of Agriculture finds that the person has violated or is violating any provisions of the chapter or rules and regulations covered by the charges, he shall make a report in writing in which he shall state his findings as to the facts, and shall issue and cause to be served on the person an order requiring such person to cease and desist from continuing such violation. The testimony taken at the hearing shall be reduced to writing and filed in the records of the Department of Agriculture.

(c) Amendment of report.—Until a transcript of the record in such hearing has been filed in a circuit court of appeals, as provided in section 1600 of this title, the Secretary of Agriculture at any time, upon such notice and in such manner as he deems proper, but only after reasonable opportunity to the person to be heard, may amend or set aside the report or order, in whole or in part.

(d) Service.—Complaints, orders, and other processes of the Secretary of Agriculture under this section may be served by anyone duly authorized by the Secretary of Agriculture, either (1) by delivering a copy thereof to the person to be served, or to a member of the partnership to be served, or to the president, secretary, or other executive officer or a director of the corporation to be served; or (2) by leaving a copy thereof at the principal office or place of business of such person, partnership, or corporation; or (3) by registering and mailing a copy thereof addressed to such person, partnership, or corporation at his or its last known principal office or place of business. The verified return by the person so serving said complaint, order, or other process setting forth the manner of said order shall be proof of the same, and the return post-office receipt for said complaint, order, or other process registered and mailed as aforesaid shall be proof of the service of the same. (Aug. 9, 1939, ch. 615, title IV, § 409, 53 Stat. 1287.)

EFFECTIVE DATE

See section 1610 of this title.

§ 1600. Appeal to circuit court of appeals.—An order made under section 1599 of this title shall be final and conclusive unless within thirty days after the service the person appeals to the circuit court of appeals for the circuit in which such person resides or has his principal place of business by filing with the clerk of such court a written petition praying that the Secretary's order be set aside or modified in the manner stated in the petition, together with a bond in such sum as the court may determine, conditioned that such person will pay the costs of the proceedings if the court so directs.

The clerk of the court shall immediately cause a copy of the petition to be delivered to the Secretary, and the Secretary shall forthwith prepare, certify, and file in the court a full and accurate transcript of the record in such proceedings, including the complaint, the evidence, and the report and order. If before such transcript is filed, the Secretary amends or sets aside his report or order, in whole or in part, the petitioner may amend the peti-

tion within such time as the court may determine, on notice to the Secretary.

At any time after such transcript is filed the court, on application of the Secretary, may issue a temporary injunction restraining, to the extent it deems proper, the person and his officers, directors, agents, and employees from violating any of the provisions of the order pending the final determination of the appeal.

The evidence so taken or admitted, duly certified and filed as aforesaid as a part of the record, shall be considered by the court as the evidence in the case. The proceedings in such cases in the circuit court of appeals shall be made a preferred cause and shall be expedited in every way.

The court may affirm, modify, or set aside the order of the Secretary.

If the court determines that the just and proper disposition of the case requires the taking of additional evidence, the court shall order the hearing to be reopened for the taking of such evidence, in such manner and upon such terms and conditions as the court may deem proper. The Secretary may modify his findings as to the facts, or make new findings, by reason of the additional evidence so taken, and he shall file such modified or new findings and his recommendations, if any, for the modification or setting aside of his order, with the return of such additional evidence.

If the circuit court of appeals affirms or modifies the order of the Secretary, its decree shall operate as an injunction to restrain the person and his officers, directors, agents, and employees from violating the provisions of such order or such order as modified. (Aug. 9, 1939, ch. 615, title IV, § 410, 53 Stat. 1287.)

EFFECTIVE DATE

See section 1610 of this title.

§ 1601. Enforcement of order.—If any person against whom an order is issued under section 1599 of this title fails to obey the order, the Secretary of Agriculture, or the United States, by its Attorney General, may apply to the circuit court of appeals of the United States, within the circuit where the person against whom the order was issued resides or has his principal place of business, for the enforcement of the order, and shall certify and file with its application a full and accurate transcript of the record in such proceedings, including the complaint, the evidence, the report, and the order. Upon such filing of the application and transcript the court shall cause notice thereof to be served upon the person against whom the order was issued. The evidence to be considered, the procedure to be followed, and the jurisdiction of the court shall be the same as provided in section 1600 of this title for applications to set aside or modify orders.

The proceedings in such cases shall be made a preferred cause and shall be expedited in every way. (Aug. 9, 1939, ch. 615, title IV, § 411, 53 Stat. 1288.)

EFFECTIVE DATE

See section 1610 of this title.

§ 1602. Separability of proceedings.—The institution of any one of the proceedings provided for in sections 1595, 1599, 1600, and

1601 of this title, or criminal prosecution under section 1596 of this title shall not bar institution of any of the others. However, nothing in this chapter shall be construed as requiring the Secretary of Agriculture to recommend prosecution or institution of libel proceedings, cease-and-desist proceedings or proceedings for the enforcement of a cease-and-desist order, for minor violations of this chapter whenever he believes that the public interest will be adequately served by suitable written notice or warning. (Aug. 9, 1939, ch. 615, title IV, § 412, 53 Stat. 1288.)

EFFECTIVE DATE

See section 1610 of this title.

§ 1603. Power to examine; witness fees and mileage.—(a) In carrying on the work herein authorized, the Secretary of Agriculture, or any officer or employee designated by him for such purpose, shall have power to hold hearings, administer oaths, sign and issue subpoenas, examine witnesses, take depositions, and require the production of books, records, accounts, memoranda, and papers, and have access to office and warehouse premises. Upon refusal by any person to appear, testify, or produce pertinent books, records, accounts, memoranda, and papers in response to a subpoena, or to permit access to premises, the proper United States district court shall have power to compel obedience thereto.

(b) Witnesses summoned before the Secretary or any officer or employee designated by him shall be paid the same fees and mileage that are paid witnesses in the courts of the United States, and witnesses whose depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like service in the courts of the United States. (Aug. 9, 1939, ch. 615, title IV, § 413, 53 Stat. 1289.)

EFFECTIVE DATE

See section 1610 of this title.

§ 1604. Publication.—After judgment by the court, or the issuance of a cease-and-desist order, in any case arising under this chapter, notice thereof shall be given by publication in such manner as may be prescribed in the rules and regulations made and promulgated under this chapter. (Aug. 9, 1939, ch. 615, title IV, § 414, 53 Stat. 1289.)

EFFECTIVE DATE

See section 1610 of this title.

§ 1605. Authorization for appropriations.—(a) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for administering this chapter.

(b) Funds appropriated for carrying into effect the purpose of this chapter shall be available for allotment by the Secretary of Agriculture to the bureaus and offices of the Department of Agriculture and for transfer to other departments and agencies of the Government which the Secretary of Agriculture may call upon to assist or cooperate in carrying out such purposes or for services rendered or to be rendered in connection therewith.

Appropriations made under this authorization, within the limit prescribed in such appropriations, may be expended for the share of the United States in the expense of the International Seed Testing Congress in carrying out plans for correlating the work of the various adhering governments on problems relating to seed analyses or other subjects which the Congress may determine to be necessary in the interest of international seed trade. (Aug. 9, 1939, ch. 615, title IV, § 415, 53 Stat. 1289; Sept. 21, 1944, ch. 412, title VII, § 701 (b), 58 Stat. 741.)

AMENDMENTS

1944—Act Sept. 21, 1944, cited to text, amended section by adding last par. This paragraph probably should be numbered subsection (c).

CODIFICATION

This section was amended by the Department of Agriculture Organic Act of 1944.

§ 1606. Authorization for expenditures.—The Secretary of Agriculture is authorized to make such expenditures for rent, outside of the District of Columbia, printing, binding, telegrams, telephones, books of reference, publications, furniture, stationery, office and laboratory equipment, travel, and other supplies, including reporting services, such research necessary to develop methods of processing, bulking, blending, sampling, testing, and merchandising seeds necessary to the administration of this chapter and other necessary expenses in the District of Columbia and elsewhere, and as may be appropriated for by the Congress. (Aug. 9, 1939, ch. 615, title IV, § 416, 53 Stat. 1289.)

EFFECTIVE DATE

See section 1610 of this title.

§ 1607. Cooperation with other agencies.—The Secretary of Agriculture is authorized to cooperate with any other department or agency of the Federal Government; or with any State, Territory, District, or possession, or department, agency, or political subdivision thereof; or with any producing, trading, or consuming organization, whether operating in one or more jurisdictions, in carrying out the provisions of this chapter. (Aug. 9, 1939, ch. 615, title IV, § 417, 53 Stat. 1289.)

EFFECTIVE DATE

See section 1610 of this title.

§ 1608. Separability of provisions.—If any provision of this chapter, or the application thereof to any person or circumstance, is held invalid, the remainder of the chapter, and the application of such provisions to other persons or circumstances, shall not be affected thereby. (Aug. 9, 1939, ch. 615, title IV, § 418, 53 Stat. 1290.)

EFFECTIVE DATE

See section 1610 of this title.

§ 1609. Repeals.—Sections 111-116 of this title are hereby repealed on the one hundred and eightieth day after the passage of this chapter: *Provided, however,* That the notices with respect

to imported alfalfa and red clover seed promulgated by the Secretary of Agriculture under the authority of sections 111-116 of this title, and now in effect, shall remain with the same full force and effect as if promulgated under this chapter. (Aug. 9, 1939, ch. 615, title IV, § 419, 53 Stat. 1290.)

EFFECTIVE DATE

See section 1610 of this title.

§ 1610. Effective date.—This chapter shall take effect as follows: As to agricultural seeds, and the importation of vegetable seeds, on the one hundred and eightieth day after its enactment; as to vegetable seeds in interstate commerce, one year after its enactment; and as to sections 1591, 1592, and 1593 of this title, on the date of its enactment. (Aug. 9, 1939, ch. 615, title IV, § 420, 53 Stat. 1290.)

TITLE 10—ARMY

QUARTERMASTER CORPS

§ 73. Transportation for National Museum and Government departments.—The Quartermaster General and his officers, under his instructions, wherever stationed, shall receive, transport, and be responsible for all property turned over to them, or any one of them, by the officers or agents of any Government survey, for the National Museum, or for the civil or naval departments of the Government, in Washington or elsewhere, under the regulations governing the transportation of Army supplies, the amount paid for such transportation to be refunded or paid by the bureau to which such property or stores pertain. (July 5, 1884, ch. 217, 23 Stat. 111.)

RESERVE FORCES

§ 371. Government employees as Reserve officers; leaves of absence when ordered to duty.—All officers and employees of the United States or of the District of Columbia who shall be members of the Officers' Reserve Corps shall be entitled to leave of absence from their respective duties, without loss of pay, time, or efficiency rating, on all days during which they shall be ordered to duty with troops or at field exercises, or for instruction, for periods not to exceed fifteen days in any one calendar year: *Provided further*, That members of the Officers' Reserve Corps who are in the employ of the United States Government or of the District of Columbia and who are ordered to duty by proper authority shall, when relieved from duty, be restored to the positions held by them when ordered to duty. (May 12, 1917, ch. 12, 40 Stat. 72.)

§ 372. Reserve officers as Government officers or employees.—Members of the Officers' Reserve Corps, while not on active duty, shall not, by reason solely of their appointments, oaths, commissions, or status as such, or any duties or functions performed or pay or allowances received as such, be held or deemed to be officers or employees of the United States, or persons holding any office of trust or profit or discharging any official function under or in connection with any department of the Government of the

United States. (June 3, 1916, ch. 134, § 37, as added July 1, 1930, ch. 784, 45 Stat. 841, and amended June 15, 1933, ch. 87, § 3, 48 Stat. 154.)

COMMISSIONED OFFICERS

§ 576. Accepting or holding civil office.—No officer of the Army on the active list shall hold any civil office, whether by election or appointment, and every such officer who accepts or exercises the functions of a civil office shall thereby cease to be an officer of the Army, and his commission shall be thereby vacated. (R. S. § 1222.)

DERIVATION

Act July 15, 1870, ch. 294, § 18, 16 Stat. 319.

SUPPLIES, STORES AND SERVICES

§ 1253. Price charged for subsistence supplies.—When under the Army Regulations subsistence supplies are furnished to another bureau of the War Department, or to another executive department of the Government or employees thereof, payment therefor shall be made in cash by the proper disbursing officer of the bureau, office, or department concerned, or by the employee to whom the sale is made. When the transaction is between two bureaus of the War Department the price to be charged shall be the contract or invoice price of the supplies. When the transaction is between the Quartermaster Corps and another executive department of the Government or employees thereof, the price to be charged shall include the contract or invoice price and 10 per centum additional to cover wastage in transit and the cost of transportation. (Mar. 3, 1911, ch. 209, 36 Stat. 1047; Aug. 24, 1912, ch. 391, § 3, 37 Stat. 591.)

§ 1263. Real property required for Army storage.—The President is hereby authorized, through the head of any executive department, upon terms and conditions considered advisable by him or such head of department, to sell or lease real property or any interest therein or appurtenant thereto acquired by the United States of America since April 6, 1917, for storage purposes for the use of the Army, which in the judgment of the President or the head of such department is no longer needed for use by the United States of America, and to execute and deliver in the name of the United States and in its behalf any and all contracts, conveyances, or other instruments necessary to effectuate any such sale or lease. (July 11, 1919, ch. 8, subch. II, 41 Stat. 129.)

§ 1264. Disposal of proceeds of sale or lease under section 1263.—All moneys received by the United States as the proceeds of any sale or lease under section 1263 of this title shall be deposited in the Treasury of the United States to the credit of "Miscellaneous receipts" and a full report of the same shall be submitted annually to Congress. (July 11, 1919, ch. 8, subch. II, 41 Stat. 130.)

§ 1267. Transfer of motor vehicles to branches of Government service; payment for from appropriations.—The Secretary of War is authorized to transfer any unused and surplus motor-propelled

vehicles and motor equipment of any kind, the payment for same to be made as provided herein, to any branch of the Government service having appropriations available for the purchase of said vehicles and equipment. In case of the transfers herein authorized a reasonable price not to exceed actual cost, and if the same have been used, at a reasonable price based upon length of usage, shall be determined upon and an equivalent amount of each appropriation available for said purchase shall be covered into the Treasury as a miscellaneous receipt, and the appropriation in each case reduced accordingly. It shall be the duty of each official of the Government having such purchases in charge to procure the same from any such unused or surplus stock if possible. No transfer of motor-propelled vehicles and motor equipment, unless specifically authorized by law, shall be made free of charge to any branch of the Government service. (July 19, 1919, ch. 24, § 5, 41 Stat. 233.)

§ 1319. Collecting forwarding charges on Government radiograms or telegrams.—The Signal Corps, in its operation of military telegraph lines, cables, or radio stations, is authorized in the discretion of the Secretary of War to collect forwarding charges due connecting commercial telegraph or radio companies for the transmission of Government radiograms or telegrams over their lines, and to this end, under such regulations as may be prescribed by the Secretary of War, it can present vouchers to disbursing officers for payment or file claims with the General Accounting Office for the amount of such forwarding charges. (May 12, 1917, ch. 12, 40 Stat. 43; June 10, 1921, ch. 18, 42 Stat. 23.)

TRANSPORTATION OF TROOPS AND SUPPLIES; ARMY TRANSPORT SERVICE

§ 1371. Persons carried on Army transports.—When in the opinion of the Secretary of War, accommodations are available, transportation may be provided for the officers, enlisted men, employees, and supplies of the Navy, the Marine Corps, and for members and employees of the Philippine and Hawaiian governments, officers of the War Department, Members of Congress, other officers of the Government while traveling on official business, and without expense to the United States, for the families of those persons herein authorized to be transported, and when accommodations are available, transportation may be provided for general passengers to the island of Guam, rates and regulations therefor to be prescribed by the Secretary of War. (Mar. 2, 1907, ch. 2511, 34 Stat. 1170.)

§ 1371a. Same; employees of United States residing in Alaska.—When, in the opinion of the Secretary of War, accommodations are available, transportation on vessels of the Army transport service may be provided, without expense to the United States, to employees of the United States, residing in Alaska, who have been in such employment for a period of not less than two years, and to their families: *Provided*, That except in cases of dire emergency such as sickness or death, the privilege herein granted shall be

limited, as to each eligible individual, to one round trip between Alaska and the States during each two-year period from and after November 21, 1941. (Nov. 21, 1941, ch. 483, 55 Stat. 775.)

§ 1376. Transportation without charge by certain landgrant railroads.—No money shall be paid to any railroad company for the transportation of any property or troops of the United States over any railroad which in whole or in part was constructed by the aid of a grant of public land on the condition that such railroad should be a public highway for the use of the Government of the United States free from toll or other charge, or upon any other conditions for the use of such road, for such transportation, nor shall any allowance be made for the transportation of officers of the Army over any such road when on duty and under orders as military officers of the United States: *Provided*, That the foregoing provision shall not apply to roads where the sole condition of transportation is that the company shall not charge the Government higher rates than they do individuals for like transportation, and when the Quartermaster General shall be satisfied that this condition has been faithfully complied with. (Mar. 3, 1875, ch. 133, § 1, 18 Stat. 453.)

SURPLUS WAR DEPARTMENT REAL PROPERTY; SALE; DISPOSITION OF PROCEEDS

§ 1597a. Retransfer to War Department of real property from other departments; sale; proceeds credited to military post construction fund.—In order to make further provision for the military post construction fund established by section 1597 of this title, the Secretary of War is authorized to cause to be retransferred to the War Department, subject to the approval of the President, all real property transferred before February 25, 1927, or any part thereof, since January 1, 1919, from the War Department to other departments, bureaus, branches, or activities of the Government and no longer actually and necessarily required for their use, respectively, and upon the retransfer to the War Department of any such property the Secretary of War shall report the same to the Congress with recommendations as to its sale and the deposit of the proceeds to the credit of the military post construction fund. (Feb. 25, 1927, ch. 193, § 3, 44 Stat. 1236.)

TITLE 12—BANKS AND BANKING

FEDERAL RESERVE SYSTEM

DEPOSITARIES AND FISCAL AGENTS

§ 395. Federal reserve banks as depositaries, custodians and fiscal agents for Commodity Credit Corporation.—The Federal Reserve banks are hereby authorized to act as depositaries, custodians, and fiscal agents for the Commodity Credit Corporation. (July 16, 1943, ch. 241, § 3, 57 Stat. 566.)

FARM CREDIT ADMINISTRATION

INTRODUCTORY

EX. ORD. No. 6084. REORGANIZING AGRICULTURAL CREDIT AGENCIES OF THE UNITED STATES

Ex. Ord. No. 6084, Mar. 27, 1933, provided:

Whereas sections 401 and 403 of title IV of part II of the Legislative Appropriation Act, fiscal year 1933, as amended by an act of Congress approved March 3, 1933, provide:

SEC. 401. The Congress hereby declares that a serious emergency exists **by reason of the general economic depression**; that it is imperative to reduce drastically governmental expenditures; and that such reductions may be accomplished in great measure by proceeding immediately under the provisions of this title.

Accordingly, the President shall investigate the present organization of all executive and administrative agencies of the Government and shall determine what changes therein are necessary to accomplish the following purposes:

(a) To reduce expenditures to the fullest extent consistent with the efficient operation of the Government;

(b) To increase the efficiency of the operations of the Government to the fullest extent practicable within the revenues;

(c) To group, coordinate, and consolidate executive and administrative agencies of the Government, as nearly as may be, according to major purposes;

(d) To reduce the number of such agencies by consolidating those having similar functions under a single head, and by abolishing such agencies and/or such functions thereof as may not be necessary for the efficient conduct of the Government;

(e) To eliminate overlapping and duplication of effort; and

(f) To segregate regulatory agencies and functions from those of an administrative and executive character.

SEC. 403. Whenever the President, after investigation, shall find and declare that any regrouping, consolidation, transfer, or abolition of any executive agency or agencies and/or the functions thereof is necessary to accomplish any of the purposes set forth in section 401 of this title, he may by Executive order—

(a) Transfer the whole or any part of any executive agency and/or the functions thereof to the jurisdiction and control of any other executive agency;

(b) Consolidate the functions vested in any executive agency; or

(c) Abolish the whole or any part of any executive agency and/or the functions thereof; and

(d) Designate and fix the name and functions of any consolidated activity or executive agency and the title, powers, and duties of its executive head; except that the President shall not have authority under this title to abolish or transfer an executive department and/or all the functions thereof.

Now, therefore, pursuant to the authority so vested in me, and after investigation, it is found and declared that the following changes in executive agencies and the functions thereof are necessary to accomplish the purposes set forth in section 401 above recited, and it is hereby ordered that:

(1) The functions of the Secretary of Agriculture as a member of the Federal Farm Board, and the offices of the appointed members of the Federal Farm Board, except the office of the member designated as chairman thereof, are abolished.

(2) The name of the Federal Farm Board is changed to the Farm Credit Administration.

(3) The name of the office of Chairman of the Federal Farm Board is changed to Governor of the Farm Credit Administration, and he is vested with all the powers and duties of the Federal Farm Board.

(4) The functions of the Secretary of the Treasury as a member of the Federal Farm Loan Board, and the offices of the appointed members of the Federal Farm Loan Board, except the office of the member designated as farm loan commissioner, are abolished, and all the powers and functions of the Federal Farm Loan Board are transferred to and vested in the Farm

Loan Commissioner, subject to the jurisdiction and control of the Farm Credit Administration as herein provided.

(5) There are transferred to the jurisdiction and control of the Farm Credit Administration:

(a) The Federal Farm Loan Bureau and the functions thereof; together with the functions of the Federal Farm Loan Board, including the functions of the Farm Loan Commissioner;

(b) The functions of the Treasury Department and the Department of Agriculture, and the Secretaries thereof, under Executive authorizations to give aid to farmers, dated July 26, 1918, and any extensions or amendments thereof;

(c) The functions of the Secretary of Agriculture under all provisions of law relating to the making of advances or loans to farmers, fruit growers, producers and owners of livestock and crops, and to individuals for the purpose of assisting in forming or increasing the capital stock of agricultural-credit corporations, livestock-loan companies, or like organizations, except Public Resolution No. 74, Seventieth Congress, approved December 21, 1928, providing for the Puerto Rican Hurricane Relief Commission;

(d) The Crop Production Loan Office and the Seed Loan Office of the Department of Agriculture, and the functions thereof;

(e) The functions of the Reconstruction Finance Corporation and its Board of Directors relating to the appointment of officers and agents to manage regional agricultural credit corporations formed under section 201 (e) of the Emergency Relief and Construction Act of 1932; relating to the establishment of rules and regulations for such management; and relating to the approval of loans and advances made by such corporations and of the terms and conditions thereof.

(6) The functions vested in the Federal Farm Board by section 9 of the Agricultural Marketing Act are abolished, except that such functions shall continue to be exercised to such extent and for such time as may be necessary to permit the orderly winding up of the activities of stabilization corporations heretofore recognized under authority of such section, and the governor of the Farm Credit Administration shall take appropriate action for winding up at the earliest practicable date the activities of such corporations and all affairs related to the exercise of such functions.

(7) The records, property (including office equipment), and personnel used and employed in the execution of the functions hereinbefore transferred are transferred to the jurisdiction and control of the Farm Credit Administration.

(8) The sum of \$2,000,000 of the unexpended balances of appropriations made to the Federal Farm Board by Public Resolutions No. 43 and No. 51 of the Seventy-second Congress shall be impounded and returned to the Treasury, which sum shall be in addition to the other savings to be effected by the Farm Credit Administration as a result of this order.

(9) The unexpended balances of appropriations to the Secretary of Agriculture, the Federal Farm Loan Bureau, and the Federal Farm Board for salaries, expenses, and all other administrative expenditures in the execution of the functions herein vested in the Farm Credit Administration shall be transferred to and vested in the Farm Credit Administration as a single fund for its use for salaries, expenses, and all other administrative expenditures for the execution of any or all of such functions without restriction as to the particular functions for the execution of which the same were originally appropriated. All other appropriations, allotments, and other funds available for use in connection with the functions and executive agencies hereby transferred and consolidated are hereby transferred to and vested in the Farm Credit Administration, and shall be available for use by it, for the same purposes as if the Farm Credit Administration were named in the law or authority providing such appropriations, allotments, or other funds.

(10) All power, authority, and duties conferred by law upon any officer, executive agency, or head thereof, from which or from whom transfer is hereinbefore made, in relation to the executive agency or function transferred, are transferred to and vested in the Governor of the Farm Credit Administration.

(11) The Governor of the Farm Credit Administration is directed to dismiss, furlough, transfer, or make other appropriate disposition of such of the officers and employees under his jurisdiction and control as are not required for the proper execution of the functions of the Farm Credit Administration.

(12) The Governor of the Farm Credit Administration is authorized to execute any and all functions and perform any and all duties vested in him through such persons as he shall by order designate or employ.

(13) The Governor of the Farm Credit Administration, by order or rules and regulations, may consolidate, regroup, and transfer offices, bureaus, activities, and functions in the Farm Credit Administration, so far as may be required to carry out the purposes to which this order is directed, and may fix or change the names of such offices, bureaus, and activities and the duties, powers, and titles of their executive heads.

This order shall take effect upon the sixty-first calendar day after its transmission to Congress unless otherwise determined in accordance with the provisions of section 407 of the act cited above, as amended.

Ex. Ord. No. 5200, October 1, 1929:

I, Herbert Hoover, President of the United States of America, under the authority conferred upon me by paragraph (e) of Section 13 of Agricultural Marketing Act approved June 15, 1929, entitled "An Act To establish a Federal Farm Board to Promote the effective merchandising of agricultural commodities in interstate and foreign commerce, and to place agriculture on a basis of economic equality with other industries", and by virtue of all other powers thereto me enabling, do hereby, transfer from the Department of Agriculture to the jurisdiction and control of Federal Farm Board the whole of the Division of Cooperative Marketing in the Bureau of Agricultural Economics of the Department of Agriculture, all functions pertaining to the work and services of such division, its records, property, including office equipment, personnel, and unexpended balances of appropriation, pertaining to such work or services. The Division of Cooperative Marketing above referred to is created and authorized by "An Act To create a division of cooperative marketing in the Department of Agriculture; to provide for the acquisition and dissemination of information pertaining to cooperation; to promote the knowledge of cooperative principles and practices; to provide for calling advisers to counsel with the Secretary of Agriculture on cooperative activities; to authorize cooperative associations to acquire, interpret, and disseminate crop and market information, and for other purposes", approved July 2, 1926. The transfer above mentioned shall be effective from and including October 1st, 1929.

FARM CREDIT ADMINISTRATION; GENERAL ADMINISTRATIVE PROVISIONS

TRANSFER OF FUNCTIONS

Farm Credit Administration, Federal Farm Mortgage Corporation, and Commodity Credit Corporation, and their functions and activities, together with their respective personnel, records, and property were transferred to Department of Agriculture by Reorg. Plan No. I, § 401, eff. July 1, 1939, 4 Fed. Reg. 2730, 53 Stat. 1429, set out in note under section 133t of Title 5, Executive Departments and Government Officers and Employees.

§ 636. Farm Credit Administration; provisions relating to organization.—The Governor of the Farm Credit Administration is authorized, in carrying out the powers and duties now or hereafter vested in him or the Farm Credit Administration by law or under any Executive order made under sections 124-131a of Title 5, as amended, to establish, and to fix the powers and duties of, such divisions, agencies, corporations, and instrumentalities as he may deem necessary to the efficient functioning of the Farm Credit Administration and the successful execution of the powers and duties so vested in the Governor and the Farm Credit Administration. This section shall not be construed to restrict the authority of the President under such sections, as amended: *Provided*, That salary or compensation shall be paid to any officer, agent, or other person employed under this section in excess of \$10,000 per annum. (May 12, 1933, ch. 25, § 40, 48 Stat. 51.)

TRANSFER OF FUNCTIONS

Farm Credit Administration, Federal Farm Mortgage Corporation, and Commodity Credit Corporation were transferred to the Department of Agriculture. See note preceding this section.

§ 637. Land Bank Commissioner; functions under Executive Orders.—All functions, powers, authority, and duties conferred upon or vested in the Land Bank Commissioner by sections 347, 624, 636, 637, 723, 771, 781, 810, 963a, 992, 993, and 1016-1019 of this title; section 623 of Title 7; section 609c of Title 15, and sections 403 and 404 of Title 43 shall be held and exercised by him subject to all the terms and conditions in any Executive Order heretofore transmitted to Congress pursuant to sections 124-132 of Title 5 the same as if such functions, powers, authority, and duties were specifically named in such Executive Order or orders. (May 12, 1933, ch. 25, § 39, 48 Stat. 50; June 16, 1933, ch. 98, § 80 (a), 48 Stat. 273.)

§ 638. Commissioners in Farm Credit Administration; designation; appointment; salaries and expenses—(a) Land Bank Commissioner.—After June 16, 1933, the office of Farm Loan Commissioner shall be known as the office of the Land Bank Commissioner and the Farm Loan Commissioner shall be known as the Land Bank Commissioner. The provisions of section 653 of this title, prescribing a term of office of eight years, shall not apply to incumbents after June 16, 1933, appointed to the office of Land Bank Commissioner.

(b) Production Credit Commissioner; Cooperative Bank Commissioner; Intermediate Credit Commissioner.—There shall be in the Farm Credit Administration three commissioners who shall be known, respectively, as the Production Credit Commissioner, the Cooperative Bank Commissioner, and the Intermediate Credit Commissioner. Such commissioners shall be appointed by the President, by and with the advice and consent of the Senate. They shall receive an annual salary of \$10,000, payable monthly, together with actual necessary traveling expenses. Such commissioners shall perform such duties as may be assigned to them by law or by the governor of the Farm Credit Administration. (June 16, 1933, ch. 98, § 80, 48 Stat. 273.)

§ 639. Governor of Farm Credit Administration; supplementary grant of powers.—The authority and powers conferred upon the governor under the Farm Credit Act of 1933 shall not be construed to be in substitution for authority and powers conferred upon him under existing law but shall be construed to be supplementary to such authority and powers. (June 16, 1933, ch. 98, § 82, 48 Stat. 273.)

REFERENCES IN TEXT

The Farm Credit Act of 1933 (act June 16, 1933, ch. 98, 48 Stat. 257), to which reference is made in this section, was incorporated into the code as sections 637-640, 653, 674, 678-681, 683, 694, 723, 744a, 771, 781, 791, 874, 876, 878-880, 884, 952, 963a, 964, 971, 972, 983, 987, 992, 1016-1018, 1022, 1031, 1124, 1131-1138f, 1141c-1141f, 1148a, and 1151a of this title and section 610 of Title 7, Agriculture.

§ 640. Seal of Farm Credit Administration.—The Farm Credit Administration shall have a seal, as adopted by the governor,

which shall be judicially noticed. (June 16, 1933, ch. 98, § 85, 48 Stat. 273.)

TRANSFER OF FUNCTIONS

Farm Credit Administration was transferred to the Department of Agriculture. See note preceding section 636 of this title.

DISTRICT ORGANIZATIONS UNDER SUPERVISION OF FARM CREDIT ADMINISTRATION; FARM CREDIT DISTRICTS AND FARM CREDIT BOARDS

CROSS REFERENCE

For provisions of the Cooperative Marketing Act see sections 451-457 of Title 7, Agriculture. Pursuant to Executive Orders 5200 and 6084, which are set out in full preceding said sections, the Farm Credit Administration now has jurisdiction and control of the Division of Cooperative Marketing established by those sections.

§ 640a. Farm credit districts created.—There shall be twelve districts in the continental United States, excluding Alaska, which shall be known as farm credit districts, and may be designated by number. The boundaries of the twelve Federal land bank districts existing as of August 19, 1937, shall be the boundaries of the respective farm credit districts. Such boundaries may be readjusted from time to time in the discretion of the Farm Credit Administration, provided that said districts shall be apportioned with due regard to the farm credit needs of the country and no such district shall contain a fractional part of any State. The designations "Federal land bank district" and "land bank district" wherever used in the Federal Farm Loan Act, or in any Act amendatory thereof or supplementary thereto, are changed to "farm credit district" and shall after August 19, 1937, be deemed to refer to the farm credit districts provided for in this section. (Aug. 19, 1937, ch. 704, § 5 (a), 50 Stat. 704.)

REFERENCES IN TEXT

The Federal Farm Loan Act, to which reference is made in this section, is act July 17, 1916, ch. 245, 39 Stat. 360. For distribution of said act in this code, see note under section 641 of this title.

SAVING CLAUSE

Act August 19, 1937, cited to text, provided as follows: "Sec. 40. (a) If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act, and the application of such provisions to other persons or circumstances, shall not be affected thereby.

"(b) The right to alter, amend, or repeal this act is hereby expressly reserved."

§ 640b. Farm credit boards; members.—There shall be in each farm credit district a farm credit board, which shall be selected as specified in sections 640b-640g of this title and shall be composed of seven members. Each farm credit board shall include in its title the name of the city in which the Federal land bank, Federal intermediate credit bank, production credit corporation, and regional bank for cooperatives of the district are located. Three of the members of said board shall be known as elected directors of whom one shall be chosen by national farm loan associations and borrowers through agencies, one shall be chosen by

production credit associations of the district, and one shall be chosen by cooperatives which are stockholders or subscribers to the guaranty fund of the regional bank for cooperatives in the district. Three of the seven members shall be known as district directors, of whom two shall be appointed by the Governor of the Farm Credit Administration and one, who shall be known as the third district director, shall be chosen as provided in section 640d of this title. The seventh member of such board shall be known as director at large and shall be appointed by the Governor of the Farm Credit Administration. (Aug. 19, 1937, ch. 704, § 5 (b), 50 Stat. 704.)

REFERENCES IN TEXT

In the original "as specified in sections 640b-640g of this title" reads "as hereinafter specified," and "as provided in section 640d of this title" reads "as hereafter in this section (section 5b of act August 19, 1937, cited to text) provided."

SAVING CLAUSE

See note under section 640a of this title.

§ 640c. Same; initial board to be composed of Federal land directors; successors.—The directors of the Federal land bank of each district who are in office on August 19, 1937, shall constitute the farm credit board of the district and shall serve as members thereof for the remaining portions of the terms for which they were respectively elected or appointed as directors of the bank. Except as otherwise provided by sections 640a-640k of this title, the successor to each original member of the farm credit board shall be selected in the manner in which such member was selected as a director of the Federal land bank. (Aug. 19, 1937, ch. 704, § 5 (c), 50 Stat. 704.)

REFERENCES IN TEXT

In the original "sections 640a-640k of this title" reads "this act," meaning the Farm Credit Act of 1937 (act August 19, 1937, cited to text), which was incorporated into the code as sections 640a-640k, 640r, 656a, 677a, 712, 719, 723c, 724, 732, 745-747, 761, 771, 781, 823, 831, 883, 897, 967, 1016, 1020, 1020d, 1022, 1023, 1040, 1041, 1042, 1053, 1072, 1095, 1131, 1134, 1134c, 1134j, 1141b, 1141d, and 1148b-1148d of this title.

SAVING CLAUSE

See note under section 640a of this title.

§ 640d. Same; selection of third district director.—Each third district director shall be selected as follows: Each national farm loan association and borrower through agencies in the district shall nominate, in the manner provided in section 640e of this title for the nomination of candidates for elected directors, one candidate for such director, and from the three persons having the greatest number of votes as nominees the Governor of the Farm Credit Administration shall appoint such director. No third district director who is removed from office pursuant to section 831 (h) of this title may be nominated to succeed himself. (Aug. 19, 1937, ch. 704, § 5 (d), 50 Stat. 704.)

REFERENCE IN TEXT

In the original "provided in section 640e of this title" reads "provided herein."

SAVING CLAUSE

See note under section 640a of this title.

§ 640e. Same; nomination of elected directors.—At least two months before an election of an elected director the Farm Credit Administration shall cause notice in writing to be sent to those entitled to nominate candidates for such elected director. In the case of an election of a director by national farm loan associations and borrowers through agencies, such notice shall be sent to all national farm loan associations and borrowers through agencies in the district; in the case of an election by production credit associations, such notice shall be sent to all production credit associations in the district; and in the case of an election by cooperatives which are stockholders or subscribers to the guaranty fund of the bank for cooperatives of the district, such notice shall be sent to all cooperatives which are stockholders or subscribers to the guaranty fund at the time of sending notice. After receipt of such notice those entitled to nominate the director shall forward nominations of residents of the district to the Farm Credit Administration. The Farm Credit Administration shall, from the nominations received within thirty days after the sending of such notice, prepare a list of candidates for such elected director consisting of the ten nominees receiving the highest number of votes. (Aug. 19, 1937, ch. 704, § 5 (e), 50 Stat. 705.)

SAVING CLAUSE

See note under section 640a of this title.

§ 640f. Same; election of elected directors.—At least one month before the election of an elected director the Farm Credit Administration shall mail to each person or organization entitled to elect the elected director the list of the ten candidates nominated in accordance with section 640e of this title. In the case of an election of a director by national farm loan associations and borrowers through agencies, the directors of each farm loan association shall cast the vote of such association for one of the candidates on the list. In voting under sections 640a-640k of this title each such association shall be entitled to cast a number of votes equal to the number of stockholders of such association and each borrower through agencies shall be entitled to cast one vote. In voting under sections 640a-640k of this title each production credit association shall be entitled to cast a number of votes equal to the number of the class B stockholders of such association. In voting under sections 640a-640k of this title each cooperative which is a holder of stock in, or a subscriber to the guaranty fund of, the bank for cooperatives shall be entitled to cast one vote. The votes shall be forwarded to the Farm Credit Administration and no vote shall be counted unless received by it within thirty days after the sending of such list of candidates. In case of a tie the Farm Credit Administration shall determine the choice. The nominations from which the list of candidates is prepared, and the votes of the respective voters, as counted, shall be tabulated and preserved and shall be subject to examination by any candidate for at least one year after the result of the election is announced. (Aug. 19, 1937, ch. 704, § 5 (f), 50 Stat. 705.)

SAVING CLAUSE

See note under section 640a of this title.

§ 640g. Same; term of office; vacancies.—The terms of office of all directors shall be three years. Any vacancies that may occur in the farm credit board shall be filled for the unexpired term in the manner provided in sections 640b-640f of this title for the original selection of such directors. (Aug. 19, 1937, ch. 704, § 5 (g), 50 Stat. 705.)

REFERENCES IN TEXT

In the original "provided in sections 640b-640f of this title" reads "herein provided."

SAVING CLAUSE

See note under section 640a of this title.

§ 640h. Same; general qualifications of members.—Members of each farm credit board shall have been, for at least two years, residents of the district for which they are appointed or elected. From and after August 19, 1937, no person shall be eligible for election or appointment as a member of any district farm credit board, and no person elected or appointed after August 19, 1937, as a member of any district farm credit board shall be eligible to continue to serve as such, if in either case said person is an officer or employee of any Federal land bank, Federal intermediate credit bank, production credit corporation, or bank for co-operatives. No district director, excepting any third district director selected as specified in section 640d of this title, shall, during his continuance in office, be a director, officer, or employee of any institution, association, or partnership engaged in the business of lending money or of making or selling land mortgage loans, except an institution or association under the supervision of the Farm Credit Administration. (Aug. 19, 1937, ch. 704, § 5 (h), 50 Stat. 705.)

REFERENCES IN TEXT

In the original "specified in section 640d of this title" reads "hereinabove specified."

SAVING CLAUSE

See note under section 640a of this title.

§ 640i. Same; felons and defrauders ineligible.—No person shall be eligible for appointment or election as an administrative or executive official of a Federal land¹ bank, Federal intermediate credit bank, or of any corporation or bank organized pursuant to the Farm Credit Act of 1933, or as a member of any farm credit board, or shall continue to hold office as such member, if such person has been finally adjudged guilty of a felony, or finally adjudged liable in damages in any civil proceeding for fraud, in any State or Federal court. (Aug. 19, 1937, ch. 704, § 5 (i), 50 Stat. 706.)

REFERENCES IN TEXT

The Farm Credit Act of 1933, to which reference is made in this section, is act June 16, 1933, ch. 98, 48 Stat. 257. It was incorporated into the code as sections 637-640, 653, 674, 678-681, 683, 694, 723, 744a, 771, 781, 791, 874, 876, 878-880, 884, 952, 963a, 964, 971, 972, 983, 987, 992, 1016-1018, 1022,

¹ So in original. Probably should read "land."

1031, 1124, 1131-1138f, 1141c-1141f, 1141j, 1148a, and 1151a of this title and section 610 of Title 7, Agriculture.

SAVING CLAUSE

See note under section 640a of this title.

§ 640j. Same; compensation of members.—Subject to the approval of the Farm Credit Administration members of each farm credit board shall receive such compensation as may be authorized by the board, including a reasonable allowance for necessary expenses in attending meetings of said board and directors' meetings. Such compensation shall be paid by the Federal land bank of the district, and such bank shall be reimbursed therefor by the Federal intermediate credit bank, production credit corporation and bank for cooperatives of the district in such proportion and in such manner as may be fixed by the farm credit board subject to the approval of the Farm Credit Administration. Except with the approval of the Farm Credit Administration, no member of any farm credit board shall receive compensation or allowances for any services rendered such institutions, in his capacity as director or otherwise, for more than thirty days in any one calendar year, exclusive of the period for which compensation is paid for attendance at meetings of said board and at directors' meetings. (Aug. 19, 1937, ch. 704, § 5 (j), 50 Stat. 706.)

SAVING CLAUSE

See note under section 640a of this title.

§ 640k. Laws unaffected.—Nothing contained in sections 640a-640j of this title shall be construed to abrogate or repeal section 672 of this title, as amended, or to affect the applicability of any other Act of Congress under which agricultural credit laws of the United States may be made applicable to territories or insular possessions of the United States. (Aug. 19, 1937, ch. 704, § 5 (k), 50 Stat. 706.)

SAVING CLAUSE

See note under section 640a of this title.

§ 640l. Powers of farm credit board.—Each farm credit board provided for in sections 640b and 640c of this title shall have power, subject to the approval of the Farm Credit Administration—

(a) **Employment of joint officers and employees for certain organizations.**—To employ joint officers and employees for the Federal land bank, Federal intermediate credit bank, production credit corporation, and regional bank for cooperatives in its district. The salaries or other compensation of all such joint officers and employees shall be fixed by the district farm credit board and shall be paid by the Federal land bank of the district. Such bank shall be reimbursed therefor by the other three institutions in the district, in such amounts and upon such conditions as the board shall determine. Officers and employees appointed by the district farm credit board shall be officers and employees of the district institutions served by them.

(b) **Authorization of acquisition and disposal of property.**—To authorize the acquisition and disposal of such property, real or

personal, as may be necessary or convenient for the transaction of the business of the Federal land bank, the Federal intermediate credit bank, the bank for cooperatives, and the production credit corporation, located in its district, upon such terms and conditions as it shall fix, and to prorate among such institutions the cost of purchases, rentals, construction, repairs, alterations, maintenance, and operation, in such amounts and in such manner as it shall determine. Any lease, or any contract for the purchase or sale of property, or any deed or conveyance of property, or any contract for the construction, repair, or alteration of buildings, authorized by a district farm credit board under this subsection shall be executed by the officers of the institution or institutions concerned pursuant to the direction of such board. No provision of law relative to the acquisition or disposal of property, real or personal, by or for the United States, or relative to the making of contracts or leases by or for the United States, including the provisions set out in Title 40, and Title 41, and including provisions applicable to corporations wholly owned by the United States, shall be deemed or held applicable to any lease, purchase, sale, deed, conveyance, or contract authorized or made by a district farm credit board, Federal land bank, Federal intermediate credit bank, production credit corporation, or bank for cooperatives under this subsection.

(c) Vacations and sick leaves.—No corporation under the supervision of the Farm Credit Administration, of which corporation any member of the board of directors is elected or appointed by private interests, shall be subject to the provisions of sections 29a, 30b-30m, and 31a of Title 5. (Aug. 19, 1937, ch. 704, § 6, 50 Stat. 706.)

REFERENCES IN TEXT

In the original "sections 640b and 640c of this title" reads "this act", meaning the Farm Credit Act of 1937 (act August 19, 1937, cited to text). For distribution of said act see note under section 640c of this title.

SAVING CLAUSE

See note under section 640a of this title.

§ 640-1. Sale of real estate; prepayment of balance of purchase price.—In the case of any contract or agreement for the sale of any real estate to any individual under any program administered by the Resettlement Administration or the Farm Security Administration—

(1) by the Department of Agriculture or any agency of the Department of Agriculture; or

(2) by any homestead association or corporation established by the Department of Agriculture or any agency of the Department of Agriculture; or

(3) by the National Housing Agency or any agency of the National Housing Agency, in case such contract or agreement was, prior to February 24, 1942, made by the Department of Agriculture, or any agency of the Department of Agriculture, or any homestead association or corporation established by the Department of Agriculture or any agency of the Department of Agriculture; or

(4) by the National Housing Agency or any agency of the National Housing Agency, or any homestead association established by the National Housing Agency or any agency of the National Housing Agency, in case such contract or agreement would, except for Executive Order Numbered 9070 of February 24, 1942, as amended and supplemented, have been made by the Department of Agriculture or an agency of the Department of Agriculture or a homestead association or corporation established by the Department of Agriculture or an agency of the Department of Agriculture;

if such contract or agreement, having been in force for five years, provides for the payment of the purchase price in installments over a period of years, no provision of such contract or agreement shall be deemed to prevent the prepayment of any portion of the purchase price, and upon the payment of such purchase price together with interest (on the amount thereof previously unpaid) to the date of such payment, there shall be delivered to the purchaser forthwith a quitclaim deed conveying all right, title and interest of the United States in and to such real estate without any reservations, exceptions, conditions or restrictions whatsoever. (July 1, 1944, ch. 364, 58 Stat. 675.)

REFERENCE IN TEXT

Ex. Ord. No. 9070 of Feb. 24, 1942, as amended and supplemented referred to in text, is set out as a note under section 601 of Appendix to Title 50, War.

SUBCHAPTER I.—FEDERAL LAND BANKS, JOINT-STOCK LAND BANKS, AND NATIONAL FARM-LOAN ASSOCIATIONS

§ 641. “Federal Farm Loan Act”; administration.—The act of July 17, 1916 (ch. 245, 39 Stat. 360), as amended by act of March 4, 1923 (ch. 252, 42 Stat. 1454), to include Federal intermediate credit banks may be cited as the “Federal Farm Loan Act.” Its administration shall be under the direction and control of the Farm Credit Administration, created pursuant to Executive Order. (July 17, 1916, ch. 245, § 1, 39 Stat. 360; Mar. 1923, ch. 252, §§ 1, 2, 42 Stat. 1454; Ex. Ord. No. 6084, Mar. 27, 1933.)

REFERENCES IN TEXT

The Federal Farm Loan Act, to which reference is made in this section, was incorporated into the code as sections 641, 642, 651-656, 657-664, 671-678, 679-682, 683, 691-698, 701, 711-723, 731-734, 741-747, 751-756, 761, 771, 772, 781, 791, 801-808, 810-824, 831, 841-844, 851-857, 861-864, 871-886, 891-899, 901, 902, 911-915, 921, 931, 932, 933, 941-943, 951-953, 961-963, 964-967, 971-973, 981-987, 991, 992, 993, 1001, 1011, 1012, 1021-1026, 1031-1034, 1041-1044, 1051-1053, 1061, 1062, 1072, 1081, 1091-1094, 1101, 1111, and 1121-1129 of this title.

TRANSFER OF FUNCTIONS

Farm Credit Administration was transferred to the Department of Agriculture. See note preceding section 636 of this title.

§ 642. “First mortgage” and “farm-loan bonds” defined.—Wherever the term “first mortgage” is used in this subchapter it shall be held to include such classes of first liens on farm lands as shall be approved by the Farm Credit Administration, and the

credit instruments secured thereby. The term "farm-loan bonds" shall be held to include all bonds secured by collateral deposited with a farm-loan registrar under the terms of this subchapter; they shall be distinguished by the addition of the words "Federal", or "joint-stock" as the case may be. (July 17, 1916, ch. 245, § 2, 39 Stat. 360; Ex. Ord. No. 6084, Mar. 27, 1933.)

REFERENCES IN TEXT

In the original "this subchapter" reads "this Act", meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said act in this Code, see note under section 641 of this title.

ADMINISTRATIVE PROVISIONS RELATIVE TO THIS SUBCHAPTER

§ 651. Federal Farm Loan Bureau.—There shall be at the seat of government a bureau charged with the execution of this subchapter and of subchapter III of this chapter and of all acts amendatory thereof, to be known as the "Federal Farm Loan Bureau", under the general supervision of the Farm Credit Administration. (July 17, 1916, ch. 245, § 3, 39 Stat. 360; Ex. Ord. No. 6084, Mar. 27, 1933.)

REFERENCES IN TEXT

In the original "this subchapter and subchapter III of this chapter" reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said act in this Code, see note under section 641 of this title.

TRANSFER OF FUNCTIONS

Farm Credit Administration was transferred to the Department of Agriculture. See note preceding section 636 of this title.

§ 652. Federal Farm Loan Board; number of members; appointment; salaries; expenses.—The Federal Farm Loan Board shall consist of seven members, including the Secretary of the Treasury, who shall be a member and chairman ex officio, and six members to be appointed by the President of the United States, by and with the advice and consent of the Senate. Of the six members to be appointed by the President, not more than three shall be appointed from one political party, and all six of said members shall be citizens of the United States and shall devote their entire time to the business of the Federal Farm Loan Board; they shall receive an annual salary of \$10,000, payable monthly, together with actual necessary traveling expenses. One of the additional members of the Federal Farm Loan Board, hereby provided for, shall be appointed for a term expiring August 6, 1929, and one for a term expiring August 6, 1931, and thereafter the terms of all members of the Federal Farm Loan Board shall be as in section 653 of this subchapter otherwise provided for. (July 17, 1916, ch. 245, § 3, 39 Stat. 360; Mar. 4, 1923, ch. 252, § 301, 42 Stat. 1473.)

PARTIAL EFFECTIVENESS

This section was rendered obsolete by Ex. Ord. No. 6084, Mar. 27, 1933, except insofar as it affects the qualifications, appointment, salary, etc., of the Land Bank Commissioner, previously known as Farm Loan Commissioner. See section 638 of this title.

§ 653. Terms of office; oath; Land Bank Commissioner.—One of the members of the Federal Farm Loan Board to be appointed

by the President shall be designated by him to serve for two years, one for four years, one for six years, and one for eight years, and thereafter each member so appointed shall serve for a term of eight years, unless sooner removed for cause by the President. One of the members shall be designated by the President as the Land Bank Commissioner, who shall be the active executive officer of said board. Each member of the Federal Farm Loan Board shall within fifteen days after notice of his appointment take and subscribe to the oath of office. (July 17, 1916, ch. 245, § 3, 39 Stat. 360; June 16, 1933, ch. 98, § 80 (a), 48 Stat. 273.)

PARTIAL EFFECTIVENESS

This section was rendered obsolete by Ex. Ord. No. 6084, Mar. 27, 1933, except insofar as it affects the Land Bank Commissioner, previously known as Farm Loan Commissioner; it no longer applies to the term of office of the Commissioner. See section 638 of this title.

§ 654. Eligibility of members; restriction on right to engage in other business.—No member of the Federal Loan Board shall, during his continuance in office, be an officer or director of any other institution, association, or partnership engaged in banking, or in the business of making land mortgage loans or selling land mortgages. Before entering upon his duties as a member of the Federal Farm Loan Board each member shall certify under oath to the President that he is eligible under this section. (July 17, 1916, ch. 245, § 3, 39 Stat. 360.)

PARTIAL EFFECTIVENESS

This section was rendered obsolete by Ex. Ord. No. 6084, Mar. 27, 1933, except insofar as it affects the Land Bank Commissioner, previously known as Farm Loan Commissioner. See section 638 of this title.

§ 655. Filling vacancies on board.—The President shall have the power, by and with the advice and consent of the Senate, to fill any vacancy occurring in the membership of the Federal Farm Loan Board; if such vacancy shall be filled during the recess of the Senate a commission shall be granted which shall expire at the end of the next session. (July 17, 1916, ch. 245, § 3, 39 Stat. 360.)

PARTIAL EFFECTIVENESS

This section was rendered obsolete by Ex. Ord. No. 6084, Mar. 27, 1933, except insofar as it affects the Land Bank Commissioner, previously known as Farm Loan Commissioner. See section 638 of this title.

§ 656. Registrars, appraisers, and examiners; appointment; restriction on right to engage in other business.—The Farm Credit Administration shall appoint a farm-loan registrar in each farm credit district to receive applications for issues of farm-loan bonds and to perform such other services as are prescribed by this chapter, and may appoint a deputy registrar who shall during the unavoidable absence or disability of the registrar perform the duties of that office. It shall also appoint one or more land-bank appraisers for each farm credit district and as many farm credit examiners as it shall deem necessary. Farm loan registrars, deputy registrars, land-bank appraisers, and farm credit examiners appointed under this section and sections 651-655, 657-664 of this title shall be public officials and shall, during

their continuance in office, have no connection with or interest in any other institution, association, or partnership engaged in banking or in the business of making land mortgage loans or selling land mortgages: *Provided*, That this limitation shall not apply to persons employed by the administration temporarily to do special work. (July 17, 1916, ch. 245, § 3, 39 Stat. 361; Apr. 20, 1920, ch. 154, § 1, 41 Stat. 570; Ex. Ord. No. 6084, Mar. 27, 1933; Aug. 19, 1937, ch. 704, §§ 5 (a), 20, 50 Stat. 704, 710.)

REFERENCES IN TEXT

In the original "this chapter" reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said act in this Code, see note under section 641 of this title.

§ 656a. Examiners to be designated "farm credit examiners".—Examiners appointed pursuant to the provisions of section 656 of this title shall after August 19, 1937, be designated and known as farm credit examiners. (Aug. 19, 1937, ch. 704, § 20, 50 Stat. 710.)

SAVING CLAUSE

See note under section 640a of this section.

§ 657. Repealed. Sept. 21, 1944, ch. 412, § 601 (d), 58 Stat. 741, eff. July 1, 1944.

REPEALS

The repeal of this section was by the Department of Agriculture Organic Act of 1944.

§ 658. Appraisers and inspectors; compensation; manner of payment.—Federal land-bank appraisers, and appraisers or inspectors of Federal intermediate credit banks, shall receive such compensation as the Farm Credit Administration shall fix and shall be paid by the Federal land banks, joint-stock land banks, and the Federal intermediate credit banks they serve, in such proportion and in such manner as the Farm Credit Administration shall order. (July 17, 1916, ch. 245, § 3, 39 Stat. 361; Mar. 4, 1923, ch. 252, § 302, 42 Stat. 1473; Mar. 4, 1925, ch. 524, § 3, 43 Stat. 1262; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 659. Attorneys, experts, and other employees; employment; salaries and fees.—The Farm Credit Administration shall be authorized and empowered to employ such attorneys, experts, assistants, clerks, laborers, and other employees as it may deem necessary to conduct the business of said administration. All salaries and fees authorized in sections 651-664 of this chapter and not otherwise provided for shall be fixed in advance by said administration and shall be paid in the same manner as the salary of the Land Bank Commissioner. All such attorneys, experts, assistants, clerks, laborers, and other employees, and all registrars, examiners, and appraisers shall be appointed without regard to the provisions of sections 632, 633, 635, 637, 638, and 640-642, of Title 5, or any rule or regulation made in pursuance thereof and may be classified without regard to sections 661-663, 664-673, and 674 of Title 5: *Provided*, That nothing herein shall prevent the President from placing said employees in the classified service. (July 17, 1916, ch. 245, § 3, 39 Stat. 361; Mar. 4, 1925,

ch. 524, § 4, 43 Stat. 1263; Ex. Ord. No. 6084, Mar. 27, 1933; June 16, 1933, ch. 98, § 80 (a), 48 Stat. 273.)

REFERENCES IN TEXT

In the original "sections 632, 633, 635, 637, 638, and 640-642 of Title 5," reads "the act of January 16, 1883 (22 Stat. 403), and amendments thereto," and "sections 661-663, 664-673, and 674 of Title 5" reads "the Classification Act of 1923."

§ 660. Statements of salaries paid by land banks.—Every Federal land bank shall semiannually submit to the Farm Credit Administration a schedule showing the salaries or rates of compensation paid to its officers and employees. (July 17, 1916, ch. 245, § 3, 39 Stat. 361; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 661. Annual report.—The Farm Credit Administration shall annually make a full report of its operations to the Speaker of the House of Representatives, who shall cause the same to be printed for the information of the Congress. (July 17, 1916, ch. 245, § 3, 39 Stat. 361; Ex. Ord. No. 6084; Mar. 27, 1933.)

§ 662. Examinations and reports by land banks; appraisals of farm land; amortization tables.—The Farm Credit Administration shall from time to time require examinations and reports of conditions of all land banks established under the provisions of this chapter and shall publish consolidated statements of the results thereof. It shall cause to be made appraisals of farm lands as provided by this chapter, and shall prepare and publish amortization tables which shall be used by national farm-loan associations and land banks organized under this chapter. (July 17, 1916, ch. 245, § 3, 39 Stat. 361; Ex. Ord. No. 6084, Mar. 27, 1933.)

REFERENCES IN TEXT

In the original "this chapter" reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said act in this Code see note under section 641 of this title.

§ 663. Statements of conditions of associations and land banks.—The Farm Credit Administration shall prescribe a form for the statement of condition of national farm loan associations and land banks under its supervision, which shall be filled out quarterly by each such association or bank and transmitted to said administration. (July 17, 1916, ch. 245, § 3, 39 Stat. 361; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 664. Bulletins and circulars.—It shall be the duty of the Farm Credit Administration to prepare from time to time bulletins setting forth the principal features of this subchapter and of subchapter III of this chapter and through the Department of Agriculture or otherwise to distribute the same, particularly to the press, to agricultural journals, and to farmers' organizations; to prepare and distribute in the same manner circulars setting forth the principles and advantages of amortized farm loans and the protection afforded debtors under said subchapters, instructing farmers how to organize and conduct farm-loan associations, and advising investors of the merits and advantages of farm-loan bonds; and to disseminate in its discretion information for the further instruction of farmers regarding the methods

and principles of cooperative credit and organization. Said administration is instructed to lay before the Congress at each session its recommendations for further appropriations to carry out the objects of this section. (July 17, 1916, ch. 245, § 3, 39 Stat. 361; Ex. Ord. No. 6084, Mar. 27, 1933.)

REFERENCES IN TEXT

In the original "this subchapter and of subchapter III of this chapter," and "said subchapters," read "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said act into this Code, see note under section 641 of this title.

§ 665. Rules and regulations.—The Farm Credit Administration is authorized to make such rules and regulations, not inconsistent with law, as it deems necessary or requisite for the efficient execution of the provisions of this subchapter and of subchapter III of this chapter, and/or any Act or Acts amendatory thereof or supplementary thereto. (Jan. 23, 1932, ch. 9, § 6, 47 Stat. 14; Ex. Ord. No. 6084, Mar. 27, 1933.)

REFERENCES IN TEXT

In the original "of this subchapter and of subchapter III of this chapter" reads "of the Federal Farm Loan Act." For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

ORGANIZATION OF FEDERAL LAND BANKS

§ 672. Establishment; titles; branches; Puerto Rico and Alaska; loans by branches.—The Farm Credit Administration shall establish in each farm credit district a Federal land bank, with its principal office located in such city within the district as said administration shall designate. Each Federal land bank shall include in its title the name of the city in which it is located. Subject to the approval of the Farm Credit Administration, any Federal land bank may establish branches within the farm credit district. Subject to the approval of the Farm Credit Administration and under such conditions as it may prescribe, the provisions of this subchapter and of subchapter III of this chapter are extended to the island of Puerto Rico and the Territory of Alaska; and the Farm Credit Administration shall designate a Federal land bank which is hereby authorized to establish a branch bank in Puerto Rico and a Federal land bank which is hereby authorized to establish a branch bank in the Territory of Alaska. Loans made by each such branch bank shall not exceed the sum of \$25,000 to any one borrower and shall be subject to the restrictions and provisions of this chapter, except that each such branch bank may loan direct to borrowers, and, subject to such regulations as the Farm Credit Administration may prescribe, the rate charged borrowers may be 1½ per centum in excess of the rate borne by the last preceding issue of farm loan bonds of the Federal land bank with which such branch bank is connected: *Provided*, That no loan shall be made in Puerto Rico or Alaska by such branch bank for a longer term than twenty years.

Each borrower through such branch bank shall subscribe and pay for stock in the Federal land bank with which it is connected in the sum of \$5 for each \$100 or fraction thereof borrowed;

such stock shall be held by such Federal land bank as collateral security for the loan of the borrower; shall participate in all dividends; and upon full payment of the loan shall be canceled at par and proceeds paid to borrower, or the borrower may apply the same to the final payments on his loan. (July 17, 1916, ch. 245, § 4, 39 Stat. 362; Feb. 27, 1921, ch. 78, 41 Stat. 1148; Mar. 4, 1923, ch. 252, § 303, 42 Stat. 1474; Mar. 4, 1929, ch. 700, 45 Stat. 1558; May 17, 1932, ch. 190, 47 Stat. 158; Ex. Ord. No. 6084, Mar. 27, 1933; Aug. 19, 1937, ch. 704, § 5 (a), 50 Stat. 704.)

REFERENCES IN TEXT

In the original, "this subchapter and subchapter III of this chapter" reads "this act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this code, see note under section 641 of this title.

§ 672a. Extension of provisions to Hawaii.—The provisions of this subchapter and of subchapter III of this chapter and any Act amendatory thereof or supplementary thereto, are extended to the Territory of Hawaii. The Farm Credit Administration shall include the Territory in a Federal land bank district, and such Federal land bank as the Administration may designate is authorized to establish branch banks in the Territory. (Mar. 10, 1924, ch. 46, § 2, 43 Stat. 17; Ex. Ord. No. 6084, Mar. 27, 1933.)

REFERENCES IN TEXT

In the original, "this subchapter and subchapter III of this chapter" reads "the Federal Farm Loan Act." For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

§ 673. Temporary management.—Each Federal land bank shall be temporarily managed by five directors appointed by the Farm Credit Administration. Said directors shall be citizens of the United States and residents of the district. They shall each give a surety bond, the premium on which shall be paid from the funds of the bank. They shall receive such compensation as the Farm Credit Administration shall fix. They shall choose from their number, by majority vote, a president, a vice president, a secretary, and a treasurer. They are further authorized and empowered to employ such attorneys, experts, assistants, clerks, laborers, and other employees as they may deem necessary, and to fix their compensation, subject to the approval of the Farm Credit Administration. (July 17, 1916, ch. 245, § 4, 39 Stat. 362; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 674. Organization certificates; contents.—Said temporary directors shall, under their hands, forthwith make an organization certificate, which shall specifically state:

First. The name assumed by such bank.

Second. The district within which its operations are to be carried on, and the particular city in which its principal office is to be located.

Third. The amount of capital stock and the number of shares into which the same is to be divided: *Provided*, That every Federal land bank organized under this subchapter shall by its articles of association permit an increase of its capital stock from

time to time for the purpose of providing for the issue of shares to national farm-loan associations and stockholders who may secure loans through agents of Federal land banks in accordance with the provisions of this subchapter.

Fourth. The fact that the certificate is made to enable such persons to avail themselves of the advantages of this subchapter. The organization certificate shall be acknowledged before a judge or clerk of some court of record or notary public, and shall be, together with the acknowledgment thereof, authenticated by the seal of such court or notary, transmitted to the Land Bank Commissioner, who shall record and carefully preserve the same in his office, where it shall be at all times open to public inspection. (July 17, 1916, ch. 245, § 4, 39 Stat. 362; Ex. Ord. No. 6084, Mar. 27, 1933; June 16, 1933, ch. 98, § 80 (a), 48 Stat. 273.)

REFERENCES IN TEXT

In the original "this subchapter" reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

§ 675. Changes in organization certificate.—The Farm Credit Administration is authorized to direct such changes in or additions to any such organization certificate, not inconsistent with this subchapter, as it may deem necessary or expedient. (July 17, 1916; ch. 245, § 4, 39 Stat. 363; Ex. Ord. No. 6084, Mar. 27, 1933.)

REFERENCES IN TEXT

In the original "this subchapter" reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

§ 676. Time of commencement of corporate existence; powers enumerated.—Upon duly making and filing such organization certificate the bank shall become, as from the date of the execution of its organization certificate, a body corporate, and as such, and in the name designated in the organization certificate, it shall have power—

First. To adopt and use a corporate seal.

Second. To have succession until it is dissolved by Act of Congress or under the provisions of this chapter.

Third. To make contracts.

Fourth. To sue and be sued, complain, interplead, and defend, in any court of law or equity, as fully as natural persons.

Fifth. To elect or appoint directors, and by its board of directors to elect a president and a vice president, appoint a secretary and a treasurer and other officers and employees, define their duties, require bonds of them, and fix the penalty thereof; by action of its board of directors dismiss such officers and employees, or any of them, at pleasure and appoint others to fill their places.

Sixth. To prescribe, by its board of directors, subject to the supervision and regulation of the Farm Credit Administration, bylaws not inconsistent with law, regulating the manner in which its stock shall be transferred, its directors elected, its officers

elected or appointed, its property transferred, its general business conducted and the privileges granted to it by law exercised and enjoyed.

Seventh. To exercise, by its board of directors or duly authorized officers or agents, subject to law, all such incidental powers as shall be necessary to carry on the business herein described. (July 17, 1916, ch. 245, § 4, 39 Stat. 363; Ex. Ord. No. 6084, Mar. 27, 1933.)

REFERENCES IN TEXT

In the original "this chapter" reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

§ 677. Time of termination of temporary management.—After the subscriptions to stock in any Federal land bank by national farm loan associations, hereinafter authorized, shall have reached the sum of \$100,000, the officers and directors of said land bank shall be chosen as herein provided and shall, upon becoming duly qualified, take over the management of said land bank from the temporary officers selected under section 673 of this title. (July 17, 1916, ch. 245, § 4, 39 Stat. 363.)

§ 677a. Directors; compensation of officers and employees.—The members of the farm credit board of each farm credit district provided for in section 640a of this title shall be ex officio the directors of the Federal land bank located in that district. Any compensation that may be provided by the board of directors of any Federal land bank for officers or employees shall be subject to the approval of the Farm Credit Administration. (July 17, 1916, ch. 245, § 4, 39 Stat. 363; Mar. 4, 1923, ch. 252, § 304, 42 Stat. 1474; June 16, 1933, ch. 98, § 70a (a) (1-4), § 80 (a), 48 Stat. 269, 273; Aug. 19, 1937, ch. 704, § 7 (b), 50 Stat. 707.)

CAPITAL STOCK OF FEDERAL LAND BANKS

§ 691. Minimum amount of original capital; regulation of subscriptions.—Every Federal land bank shall have, before beginning business, a subscribed capital of not less than \$750,000. The Farm Credit Administration is authorized to prescribe the times and conditions of the payment of subscriptions to capital stock, to reject any subscription in its discretion, and to require subscribers to furnish adequate security for the payment thereof. (July 17, 1916, ch. 245, § 5, 39 Stat. 364; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 692. Shares; value; who may subscribe to original stock.—The capital stock of each Federal land bank shall be divided into shares of \$5 each, and may be subscribed for and held by any individual, firm, or corporation, or by the Government of any State or of the United States. (July 17, 1916, ch. 245, § 5, 39 Stat. 364.)

§ 693. Transfer of stock held by national farm loan associations.—Stock held by national farm loan associations shall not be transferred or hypothecated, and the certificates therefor shall so state. (July 17, 1916, ch. 245, § 5, 39 Stat. 364.)

§ 694. Dividends; voting stock.—Stock owned by the Government of the United States in Federal land banks shall receive no dividends, but all other stock shall share in dividend distributions without preference. Each national farm loan association and the Government of the United States shall be entitled to one vote for each share of stock held by it in deciding all questions at meetings of shareholders, and no other shareholder shall be permitted to vote. Stock owned by the United States shall be voted by the Land Bank Commissioner, as directed by the Farm Credit Administration. (July 17, 1916, ch. 245, § 5, 39 Stat. 364; Ex. Ord. No. 6084, Mar. 17, 1933; June 16, 1933, ch. 98, § 80 (a), 48 Stat. 273.)

§ 695. Subscriptions to original stock; subscriptions by United States for unsubscribed balance of original capital stock.—It shall be the duty of the Farm Credit Administration, as soon as practicable after July 17, 1916, to open books of subscription for the capital stock of a Federal land bank in each farm credit district. If within thirty days after the opening of said books any part of the minimum capitalization of \$750,000 herein prescribed for Federal land banks shall remain unsubscribed, it shall be the duty of the Secretary of the Treasury to subscribe the balance thereof on behalf of the United States, said subscription to be subject to call in whole or in part by the board of directors of said land bank upon thirty days' notice with the approval of the Farm Credit Administration; and the Secretary of the Treasury is hereby authorized and directed to take out shares corresponding to the unsubscribed balance as called, and to pay for the same out of any moneys in the Treasury not otherwise appropriated. Thereafter no stock shall be issued except as hereinafter provided. (July 17, 1916, ch. 245, § 5, 39 Stat. 364; Ex. Ord. No. 6084, Mar. 27, 1933; Aug. 19, 1937, ch. 704, § 5 (a), 50 Stat. 704.)

§ 696. Retirement of original stock—After the subscriptions to capital stock by national farm-loan associations shall amount to \$750,000 in any Federal land bank, said bank shall apply semi-annually to the payment and retirement of the shares of stock which were issued to represent the subscriptions to the original capital twenty-five per centum of all sums thereafter subscribed by national farm-loan associations, by borrowers through agencies, and by borrowers through branch banks to capital stock until all such original capital stock is retired at par. (July 17, 1916, ch. 245, § 5, 39 Stat. 364; Jan. 23, 1932, ch. 9, § 1, 47 Stat. 12.)

§ 697. Proportion held in quick assets.—At least twenty-five per centum of that part of the capital of any Federal land bank for which stock is outstanding in the name of national farm-loan associations shall be held in quick assets, and may consist of cash in the vaults of said land bank, or in deposits in member banks of the Federal reserve system, or in readily marketable securities which are approved under rules and regulations of the Farm Credit Administration: *Provided*, That not less than five per centum of such capital shall be invested in United States Government bonds. (July 17, 1916, ch. 245, § 5, 39 Stat. 364; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 698. Subscriptions by United States; terms; amount; retirement.—It shall be the duty of the Secretary of the Treasury on behalf of the United States, upon the request of the board of directors of any Federal land bank made with the approval of the Farm Credit Administration, to subscribe from time to time for capital stock of such bank in an amount or amounts specified in such approval or approvals, such subscriptions to be subject to call in whole or in part by the board of directors of said bank upon thirty days' notice with the approval of the Farm Credit Administration. The Secretary of the Treasury is hereby authorized and directed to take out and pay for shares having an aggregate par value equal to the amounts so called; and to enable the Secretary of the Treasury to pay for stock issued hereunder there is hereby authorized to be appropriated the sum of \$125,000,000, such stock to be nonvoting. Shares of stock issued pursuant to this section shall be paid off at par and retired in the same manner as the original capital stock of said bank after said original stock outstanding, if any, has been paid off and retired: *Provided, however,* That stock issued pursuant to this section may at any time, in the discretion of the directors and with the approval of the Farm Credit Administration, be paid off at par and retired in whole or in part; and that said Administration may at any time require such stock to be paid off at par and retired in whole or in part if, in the opinion of the Administration, the bank has resources available therefor. The proceeds of all repayments on account of stock issued pursuant to this section shall be held in the Treasury of the United States and shall be available for the purpose of paying for other stock thereafter issued pursuant to this section. (July 17, 1916, ch. 245, § 5, 39 Stat. 364; Jan. 23, 1932, ch. 9, § 2, 47 Stat. 12; Ex. Ord. No. 6084, Mar. 27, 1933.)

LAND BANKS AS GOVERNMENT DEPOSITARIES AND AGENTS

§ 701. Federal and joint-stock land banks as Government depositaries and financial agents; surety bonds; investment of funds.—All Federal land banks and joint-stock land banks organized under this chapter, when designated for that purpose by the Secretary of the Treasury, shall be depositaries of public money, except receipts from customs, under such regulations as may be prescribed by said Secretary; and they may also be employed as financial agents of the Government; and they shall perform all such reasonable duties, as depositaries of public money and financial agents of the Government, as may be required of them. And the Secretary of the Treasury shall require of the Federal land banks and joint-stock land banks thus designated satisfactory security, by the deposit of United States bonds or otherwise, for the safe-keeping and prompt payment of the public money deposited with them, and for the faithful performance of their duties as financial agents of the Government. No Government funds deposited under the provisions of this section shall be invested in mortgage loans or farm-loan bonds. (July 17, 1916, ch. 245, § 6, 39 Stat. 365.)

REFERENCES IN TEXT

In the original "this chapter" reads "this Act," meaning the Federal Farm Loan Act, (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

NATIONAL FARM-LOAN ASSOCIATIONS GENERALLY

§ 711. Organization; articles of association; signature; copies of land banks.—Corporations, to be known as national farm-loan associations, may be organized by persons desiring to borrow money on farm-mortgage security under the terms of this subchapter. Such persons shall enter into articles of association which shall specify in general terms the object for which the association is formed and the territory within which its operations are to be carried on, and which may contain any other provision, not inconsistent with law, which the association may see fit to adopt for the regulation of its business and the conduct of its affairs. Said articles shall be signed by the persons uniting to form the association, and a copy thereof shall be forwarded to the Federal land bank for the district, to be filed and preserved in its office. (July 17, 1916, ch. 245, § 7, 39 Stat. 365.)

REFERENCES IN TEXT

In the original "this chapter" reads "this Act," meaning the Federal Farm Loan Act, (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

§ 712. Directors; officers; loan committee.—The board of directors of every national farm loan association shall consist of not less than five nor more than seven members, who shall be elected by the shareholders of the association. Elections of such directors shall be held once each year at the annual meeting of the shareholders. Every national farm loan association shall at the first annual meeting of its shareholders subsequent to August 19, 1937, elect two directors for a term of three years, two directors for a term of two years, and the remainder of its board of directors for a term of one year. Thereafter directors shall be chosen to serve for terms of three years, and the shareholders of each association shall annually elect as many directors as may be necessary to fill the places of those directors whose terms expire during the year. Any vacancy that may occur in the board of directors through death, resignation or any other cause shall be filled at the next annual meeting of shareholders by the election of a director to serve out the unexpired portion of the term, or a special meeting of shareholders may be called for this purpose. Until such election the remaining directors shall have power to fill the vacancy for the time being by appointing a temporary director to serve until the next meeting of shareholders. All directors shall hold office until their successors are elected and have qualified. It shall be the duty of said board of directors to choose in such manner as they may prefer a secretary-treasurer, who shall receive such compensation as said board of directors shall determine. The board of directors shall elect a president, a vice president, and a loan committee of

three members. (July 17, 1916, ch. 245, § 7, 39 Stat. 365; Aug. 19, 1937, ch. 704, § 21, 50 Stat. 710.)

SAVING CLAUSE

See note under section 640a of this title.

§ 713. Compensation and qualifications of directors.—The directors and all officers except the secretary-treasurer shall serve without compensation, unless the payment of salaries to them shall be approved by the Farm Credit Administration. All officers and directors except the secretary-treasurer shall, during their term of office, be bona fide residents of the territory within which the association is authorized to do business, and shall be shareholders of the association. (July 17, 1916, ch. 245, § 7, 39 Stat. 365; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 714. Secretary-treasurer; powers and duties; bond; reports; misconduct in office.—It shall be the duty of the secretary-treasurer of every national farm loan association to act as custodian of its funds and to deposit the same in such bank as the board of directors may designate, to pay over to borrowers all sums received for their account from the Federal land bank upon first mortgage as in this chapter prescribed, and to meet all other obligations of the association, subject to the orders of the board of directors and in accordance with the bylaws of the association. It shall be the duty of the secretary-treasurer, acting under the direction of the national farm loan association, to collect, receipt for, and transmit to the Federal land bank payments of interest, amortization installments, or principal arising out of loans made through the association. He shall be the custodian of the securities, records, papers, certificates of stock, and all documents relating to or bearing upon the conduct of the affairs of the association. He shall furnish a suitable surety bond to be prescribed and approved by the Farm Credit Administration for the proper performance of the duties imposed upon him under this chapter, which shall cover prompt collection and transmission of funds. He shall make a quarterly report to the Farm Credit Administration upon forms to be provided for that purpose. Upon request from said administration said secretary-treasurer shall furnish information regarding the condition of the national farm loan association for which he is acting, and he shall carry out all duly authorized orders of said administration. He shall assure himself from time to time that the loans made through the national farm loan association of which he is an officer are applied to the purposes set forth in the application of the borrower as approved, and shall forthwith report to the land bank of the district any failure of any borrower to comply with the terms of his application or mortgage. He shall also ascertain and report to said bank the amount of any delinquent taxes on land mortgaged to said bank and the name of the delinquent. No such secretary-treasurer shall engage in the making of land mortgage loans eligible at a Federal land bank through or for any other land mortgage company or agency, and the making of any such loan by any secretary-treasurer shall forthwith work a forfeiture of his office.

(July 17, 1916, ch. 245, § 7, 39 Stat. 365; Mar. 4, 1923, ch. 252, § 305, 42 Stat. 1476; Ex. Ord. No. 6084, Mar. 27, 1933.)

REFERENCES IN TEXT

In the original, "this chapter" reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

§ 715. Expenses and salaries; payment from general funds; assessments.—The reasonable expenses of the secretary-treasurer, the loan committee, and other officers and agents of national farm loan associations, and the salary of the secretary-treasurer, shall be paid from the general funds of the association, and the board of directors is authorized to set aside such sums as it shall deem requisite for that purpose and for other expenses of said association. When no such funds are available, the board of directors may levy an assessment on members in proportion to the amount of stock held by each, which may be repaid as soon as funds are available, or it may secure an advance from the Federal land bank of the district, to be repaid with interest at the rate of six per centum per annum, from dividends belonging to the said association. Said Federal land bank is hereby authorized to make such advance and to deduct such repayment. (July 17, 1916, ch. 245, § 7, 39 Stat. 365.)

§ 716. Number of incorporators; organization; directors; secretary-treasurer.—Ten or more persons who are the owners, or about to become the owners, of farm lands qualified as security for a mortgage loan under sections 771 and 772 of this title, may unite to form a national farm-loan association. They shall organize subject to the requirements and the conditions specified in sections 711-723 and in sections 671-683 of this title, so far as the same may be applicable: *Provided*, That the board of directors may consist of five members only, and instead of a secretary and a treasurer there shall be a secretary-treasurer, who need not be a shareholder of the association. As used in this section, the term "person" includes an individual, an incorporated association, and a corporation which is eligible for a loan under sections 771 and 772 of this title. (July 17, 1916, ch. 245, § 7, 39 Stat. 365; June 3, 1935, ch. 164, § 19 (a), (b), 49 Stat. 319.)

REFERENCES IN TEXT

Sections 678-683, included in reference in second sentence of this title, have been repealed and section 677a inserted in lieu thereof.

§ 717. Report and affidavit accompanying articles of association.—When the articles of association are forwarded to the Federal land bank of the district as provided in this subdivision, they shall be accompanied by the written report of the loan committee as required in section 751 of this chapter, and by an affidavit stating that each of the subscribers is the owner, or is about to become the owner, of farm land qualified under section 771 of this chapter as the basis of a mortgage loan; that the loan desired by each person is not more than \$10,000, nor less than \$100, and that the aggregate of the desired loans is not less than \$20,000; that said affidavit is accompanied by a subscription to stock in the

Federal land bank equal to 5 per centum of the aggregate sum desired on mortgage loans; and that a temporary organization of said association has been formed by the election of a board of directors, a loan committee, and a secretary-treasurer who subscribes to said affidavit, giving his residence and post-office address. (July 17, 1916, ch. 245, § 7, 39 Stat. 365.)

CROSS REFERENCE

Maximum and minimum of loans by Federal land bank, see section 771 (seventh) of this title.

§ 718. Investigation of solvency of applicants for incorporation.—Upon receipt of such articles of association, with the accompanying affidavit and stock subscription, the directors of said Federal land bank shall send an appraiser to investigate the solvency and character of the applicants and the value of their lands, and shall then determine whether in their judgment a charter should be granted to such association. They shall forward such articles of association and the accompanying affidavit to the Farm Credit Administration with their recommendation. If said recommendation is unfavorable, the charter shall be refused. (July 17, 1916, ch. 245, § 7, 39 Stat. 365; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 719. Grant or refusal of charter; modification.—If said recommendation is favorable, the Farm Credit Administration shall thereupon grant a charter to the applicants therefor, designating the territory in which such association may make loans, and shall forward said charter to said applicants through said Federal land bank: *Provided*, That said Farm Credit Administration may for good cause shown in any case refuse to grant a charter. The boundaries of the territory designated in the charter of any national farm loan association may be readjusted from time to time to meet the farm loan needs of the locality, as determined by the Farm Credit Administration. (July 17, 1916, ch. 245, § 7, 39 Stat. 365; Ex. Ord. No. 6084, Mar. 27, 1933; Aug. 19, 1937, ch. 704, § 8, 50 Stat. 707.)

SAVING CLAUSE

See note under section 640a of this title.

§ 720. Authorization to receive funds to be loaned to members.—Upon receipt of its charter such national farm loan association shall be authorized and empowered to receive from the Federal land bank of the district sums to be loaned to its members under the terms and conditions of this subchapter. (July 17, 1916, ch. 245, § 7, 39 Stat. 365.)

REFERENCES IN TEXT

In the original, "this subchapter" reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

§ 721. Securing loans for members; subscriptions to stock of land bank as collateral; retirement of stock.—Whenever any national farm loan association shall desire to secure for any member a loan on first mortgage from the Federal land bank of its district it shall subscribe for capital stock of said land bank to the amount of 5 per centum of such loan, such subscription to be paid in cash

upon the granting of the loan by said land bank. Such capital stock shall be held by said land bank as collateral security for the payment of said loan, but said association shall be paid any dividends accruing and payable on said capital stock while it is outstanding. Such stock may, in the discretion of the directors, and with the approval of the Farm Credit Administration, be paid off at par and retired, and it shall be so paid off and retired upon full payment of the mortgage loan. In such case the national farm loan association shall pay off at par and retire the corresponding shares of its stock which were issued when said land bank stock was issued. (July 17, 1916, ch. 245, § 7, 39 Stat. 365; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 722. Federal land banks; limitation on reduction of capital stock.—The capital stock of a Federal land bank shall not be reduced to an amount less than five per centum of the principal of the outstanding farm loan bonds issued by it. (July 17, 1916, ch. 245, § 7, 39 Stat. 365.)

§ 723. Federal land banks; direct loans—(a) Authorization to make direct loans; provisions relative to loans through associations, applicable to direct loans.—Whenever it shall appear to the Land Bank Commissioner that national farm loan associations have not been formed in any locality in the continental United States, or that the farmers residing in the territory covered by the charter of a national farm loan association are unable to apply to the Federal land bank of the district for loans on account of the inability of the bank to accept applications from such association, the Land Bank Commissioner shall authorize said bank to make direct loans to borrowers secured by first mortgages on farm lands situated within any such locality or territory. Except as herein otherwise specifically provided, all provisions of this chapter applicable with respect to loans made through national farm loan associations shall, insofar as practicable, apply with respect to such direct loans, and the Land Bank Commissioner is authorized to make such rules and regulations as he may deem necessary with respect to such direct loans.

(b) Interest rate.—The rate of interest on such direct loans made at any time by any Federal land bank shall be one-half of 1 per centum per annum in excess of the rate of interest charged to borrowers on mortgage loans made at such time by the bank through national farm loan associations.

(c) Subscription to stock; retirement of stock.—Each borrower who obtains a direct loan from a Federal land bank shall subscribe and pay for stock in such bank in the sum of \$5 for each \$100 or fraction thereof borrowed. Such stock shall be held by such Federal land bank as collateral security for the loan of the borrower and shall participate in all dividends. Upon full payment of the loan such stock shall, if still outstanding, be canceled at par, or, in the event that such stock shall have become impaired, at the estimated value thereof as approved by the Land Bank Commissioner, and the proceeds thereof shall be paid to the borrower. Any borrower's interest in such stock may be transferred or hypothecated, by him or by operation of law, to the Federal Farm Mortgage Corporation.

(d) Organization of national farm loan association by direct borrowers.—Each such borrower may covenant in his mortgage that, whenever there are ten or more borrowers who have obtained from a Federal land bank direct loans under the provisions of this section aggregating not less than \$20,000, and who reside in a locality which may, in the opinion of the Land Bank Commissioner, be conveniently covered by the charter of and served by a national farm loan association, he will unite with such other borrowers to form a national farm loan association. Such borrowers shall organize the association subject to the requirements and the conditions specified in sections 711-723, so far as the same may be applicable, and in accordance with rules and regulations of the Land Bank Commissioner. As soon as the organization of the association has been approved by the Land Bank Commissioner, the stock in the Federal land bank held by each of the members of such association shall be canceled at par, and in lieu thereof the bank shall issue in the name of the association an equal amount of stock in said bank, which stock shall be held by said bank as collateral security as provided in sections 711-723 of this title with respect to other loans through national farm loan associations. Thereupon there shall be issued to each such member an amount of capital stock in the association equal to the amount which he previously held in said bank, which stock shall be held by said association as collateral security as provided in section 733 of this chapter. The board of directors of said association shall adopt a resolution authorizing and directing its secretary-treasurer on behalf of said association to endorse, and thereby become liable for the payment of, the mortgages taken from its charter members by the Federal land bank. When it shall appear to the satisfaction of the Land Bank Commissioner that all the foregoing conditions have been complied with, and upon the granting of the charter by the Land Bank Commissioner, the interest rate paid by each charter member of such association whose loan is in good standing shall, beginning with his next regular installment date, be reduced to the rate of interest paid by borrowers on new loans made through national farm loan associations in the same farm credit district at the time the said loan was made to such charter member.

(e) Charges to applicants and borrowers.—Charges to be paid by applicants for direct loans from a Federal land bank shall not exceed amounts to be fixed by the Land Bank Commissioner and shall in no case exceed the charges which may be made to applicants for loans and borrowers through national farm loan associations under the provisions of sections 761 and 781 of this title.

(f) Option to make loan in bonds.—Direct loans made under subsections (a) to (e) hereof, may, at the option of the Federal land bank, be made in bonds of the Federal Farm Mortgage Corporation. (July 17, 1916, ch. 245, § 7, 39 Stat. 365; Mar. 4, 1933, ch. 270, § 1, 47 Stat. 1547; May 12, 1933, ch. 25, § 26, 48 Stat. 44; June 16, 1933, ch. 98, § 80 (a), 48 Stat. 273; Jan. 31, 1934, ch. 7, § 6, 48 Stat. 346; Aug. 19, 1937, ch. 704, §§ 5 (a), 22, 50 Stat. 704, 710.)

REFERENCES IN TEXT

In the original, "this chapter," as used in the second sentence of this section, reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

SAVING CLAUSE

See note under section 640a of this title.

§ 724. Loans when association's stock is impaired—(a) Authorization; interest; admission to membership of borrowers under section 723.—Whenever it shall appear that the capital stock of a national farm loan association is impaired, the Farm Credit Administration may authorize the Federal land bank of the district in which such association is located to make loans to applicants through such association subject to the requirements and conditions specified for direct loans in section 723 of this title, except as otherwise specifically provided in this section, and may authorize such association to elect to membership borrowers having loans made pursuant to said section 723 on lands situated within the chartered territory of the association. Borrowers admitted to membership in the association pursuant hereto shall be entitled to vote and hold office in the association and the rate of interest on their loans shall be one-fourth of 1 per centum per annum less than the rate of interest provided at such time for direct loans. The association shall endorse all such mortgage loans but it shall not become liable therefor except as hereinafter provided.

(b) Effect of admission of ten borrowers with loans in good standing aggregating \$20,000.—When there are ten or more borrowers admitted to membership in an association pursuant to this section whose loans are in good standing, as defined by the Farm Credit Administration, and aggregate not less than \$20,000;

First. Liability of association and members.—The association shall become liable for the payment of said loans: *Provided, however,* That, any other provisions of law to the contrary notwithstanding, the shareholders who have become members pursuant to this section shall not be held responsible, through the amount paid in and represented by their shares or otherwise, for any contracts, debts, or engagements of the association entered into before the date on which the first member was admitted to the association pursuant to this section and the shareholders of such association who were members prior to said date shall not be held responsible, through the amount paid in and represented by their shares or otherwise, for any mortgages endorsed by such association on or after said date, but this provision shall not be construed to relieve any other liability with respect to stock held by shareholders who were members prior to said date.

Second. Reduction of interest rate.—The interest rate paid by each such borrower on each such loan shall, beginning with the next regular installment date, be reduced one-fourth of 1 per centum per annum.

Third. Exchange of Federal land bank stock for association stock.—The stock in the Federal land bank held by each of said

borrowers shall be exchanged for association stock in the manner provided for in section 723 (d) of this title.

Fourth. Admission of new members.—The association may thereafter admit new members, endorse their loans, and become liable for the payment of such loans as provided in paragraph "First" of this section.

Fifth. Election of loan committee.—At the the next annual meeting of stockholders, and thereafter, the loan committee of such assoication may be elected by the members who become stockholders pursuant to this section and any loan committee so elected shall have the powers specified for loan committees elected as provided in section 747 of this title: *Provided, however,* That in the event such stockholders fail to elect the loan committee, new members shall be admitted to the association as otherwise provided in this chapter.

Sixth. Records and accounts; dividends.—In accordance with rules and regulations prescribed by the Farm Credit Administration, the association shall maintain separate capital-stock records; shall keep all capital losses or gains, reserves (including legal reserves), and dividends received from the Federal land bank on stock owned by the association in connection with loans for which it becomes liable as provided in this section separate and apart from capital losses or gains, reserves (including legal reserves), and dividends received from the Federal land bank on stock owned by the association in connection with other loans of the association; and shall segregate any undivided profits of the association resulting from its business operations in like manner when so required by rules and regulations of the Farm Credit Administration. Subject to the other provisions of this chapter with respect to the declaration of dividends, dividends may be declared exclusively on association stock owned by borrowers with loans for which the association becomes liable as provided in this section or exclusively on association stock owned by borrowers with other loans through the association.

(c) Same; effect of loan not in good standing.—If the loan of any borrower who was admitted to membership pursuant to this section is not in good standing at the time when there are ten or more borrowers with loans aggregating not less than \$20,000 which are in good standing, the provisions of paragraphs "First", "Second", and "Third" of this section shall be applicable to his loan at such time as it shall be placed in good standing.

(d) Removal of impairment of stock.—If and when all impairment is removed in the stock owned by shareholders with loans which were made prior to the date on which the first member was admitted to the association pursuant to this section, the holders of such stock and the holders of stock issued on and after said date may, pursuant to rules and regulations of the Farm Credit Administration and consistent with the provisions of this chapter, agree as to the rights, powers, privileges, duties, and liabilities which shall thenceforth attach to their respective shares of stock and otherwise agree as to the future applicability, if any, of the special provisions contained in this section. (Aug. 19, 1937, ch. 704, § 25 (b), 50 Stat. 711.)

REFERENCES IN TEXT

In the original "this chapter" reads "The Federal Farm Loan Act, as amended" (act July 17, 1916, ch. 245, 39 Stat. 360). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

SAVING CLAUSE

See note under section 640a of this title.

CAPITAL STOCK OF NATIONAL FARM LOAN ASSOCIATIONS

§ 731. Par value of shares.—The shares in national farm loan associations shall be of the par value of \$5 each. (July 17, 1916, ch. 245, § 8, 39 Stat. 367.)

§ 732. Voting privileges.—Effective thirty days after August 19, 1937, every shareholder shall be entitled to one vote, and no more, at all elections of directors and in deciding all questions at meetings of shareholders. (July 17, 1916, ch. 245, § 8, 39 Stat. 367; Aug. 17, 1937, ch. 704, § 23, 50 Stat. 710.)

SAVING CLAUSE

See note under section 640a of this title.

§ 733. Borrowers only to be members; application for membership; subscription to stock in association; stock held as collateral; retirement of stock.—No persons but borrowers on farm land mortgages shall be members or shareholders of national farm loan associations. Any person desiring to borrow on farm land mortgage through a national farm loan association shall make application for membership and shall subscribe for shares of stock in such farm loan association to an amount equal to 5 per centum of the face of the desired loan, said subscription to be paid in cash upon the granting of the loan. If the application for membership is accepted and the loan is granted, the applicant shall, upon full payment therefor, become the owner of one share of capital stock in said loan association for each \$100 of the face of his loan, or any major fractional part thereof. Said capital stock shall be paid off at par and retired upon full payment of said loan. Said capital stock shall be held by said association as collateral security for the payment of said loan, but said borrower shall be paid any dividends accruing and payable on said capital stock while it is outstanding. (July 17, 1916, ch. 245, § 8, 39 Stat. 367.)

§ 734. Increase of stock.—Every national farm loan association formed under this chapter shall by its articles of association provide for an increase of its capital stock from time to time for the purpose of securing additional loans for its members and providing for the issue of shares to borrowers in accordance with the provisions of this chapter. Such increases shall be included in the quarterly reports to the Farm Credit Administration. (July 17, 1916, ch. 245, § 8, 39 Stat. 367; Ex. Ord. No. 6084, Mar. 27, 1933.)

NATIONAL FARM LOAN ASSOCIATIONS; SPECIAL PROVISIONS

§ 741. Right of members to loans.—Any person whose application for membership is accepted by a national farm loan association shall be entitled to borrow money on farm land mortgage

upon filing his application in accordance with section 733, and otherwise complying with the terms of this chapter whenever the Federal land bank of the district has funds available for that purpose, unless said land bank or the Farm Credit Administration shall, in its discretion, otherwise determine. (July 17, 1916, ch. 245, § 9, 39 Stat. 368; Ex. Ord. No. 6084, Mar. 27, 1933.)

REFERENCES IN TEXT

In the original, "this chapter" reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

§ 742. Payment for stock from proceeds of member's mortgage loan.—Any person desiring to secure a loan through a national farm-loan association under the provisions of this chapter may, at his option, borrow from the Federal land bank through such association the sum necessary to pay for shares of stock subscribed for by him in the national farm-loan association, such sum to be made a part of the face of the loan and paid off in amortization payments: *Provided, however,* That such addition to the loan shall not be permitted to increase said loan above the limitation imposed in subsection 5 of section 771 of this title. (July 17, 1916, ch. 245, § 9, 39 Stat. 368.)

REFERENCES IN TEXT

In the original, "this chapter" reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

§ 743. Commissions on interest payments; deduction from dividends; loans by land banks to associations; rate of interest.—Subject to rules and regulations prescribed by the Farm Credit Administration, any national farm-loan association shall be entitled to retain as a commission from each interest payment on any loan indorsed by it an amount to be determined by said administration not to exceed one-eighth of 1 per centum semi-annually upon the unpaid principal of said loan, any amounts so retained as commissions to be deducted from dividends payable to such farm-loan association by the Federal land bank, and to make application to the land bank of the district for loans not exceeding in the aggregate one-fourth of its total stockholdings in said land bank. The Federal land banks shall have power to make such loans to associations applying therefor and to charge interest at a rate not exceeding 6 per centum per annum. (July 17, 1916, ch. 245, § 9, 39 Stat. 368; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 744. Individual liability of shareholders.—Shareholders of every national farm-loan association shall be held individually responsible, equally and ratably, and not one for another, for all contracts, debts, and engagements of such association to the extent of the amount of stock owned by them at the par value thereof, in addition to the amount paid in and represented by their shares. (July 17, 1916, ch. 245, § 9, 39 Stat. 368.)

CROSS REFERENCE

Shareholders not liable on contracts entered into after June 16, 1933, see section 744a of this title.

§ 744a. **Same; contract liability after June 16, 1933.**—Notwithstanding the provisions of section 744 of this title, the shareholders of national farm-loan associations shall not be held individually responsible for any contract, debt, or engagement of such association entered into after June 16, 1933, but this section shall not be construed to relieve any other liability with respect to stock held by such shareholders. (June 16, 1933, ch. 98, § 72, 48 Stat. 271.)

§ 745. **New members.**—After a charter has been granted to a national farm loan association, any person who is the owner, or about to become the owner, of farm land qualified under section 771 of this chapter as the basis of a mortgage loan, and who desires to borrow on a mortgage of such farm land, may become a member of the association by a majority vote of the directors upon subscribing for one share of the capital stock of such association for each \$100 of the face of his proposed loan or any major fractional part thereof. He shall at the same time file with the secretary-treasurer his application for a mortgage loan, giving the particulars required by section 771 of this chapter. As used in this section, the term “person” includes an individual, an incorporated association, and a corporation which is eligible for a loan under section 771 of this chapter. (July 17, 1916, ch. 245, § 9, 39 Stat. 368; June 3, 1935, ch. 164, § 20, 49 Stat. 319; Aug. 19, 1937, ch. 704, § 24, 50 Stat. 710.)

SAVING CLAUSE

See note under section 640a of this title.

§ 746. **Common board of directors for two or more associations.**—Any other provisions of law to the contrary notwithstanding, two or more national farm loan associations may with the approval of the Farm Credit Administration, and by an agreement not inconsistent with any rules and regulations prescribed by the said Administration, provide for a common board of directors to be elected by the shareholders of the associations that are parties to the agreement: *Provided, however,* That each member of any such board shall be a shareholder in an association that is a party to the agreement and shall be a bona fide resident of the territory within which such association is authorized to do business: *And provided further,* That no such agreement shall provide for a term of office in excess of three years for any member of such board. The number of members of the common board of directors shall be specified in the agreement and shall be five or more. The agreement may provide that any director may be elected by the shareholders of one or more of the associations which are parties to the agreement; that in the balloting for any director an association may vote at a separate meeting of its shareholders or at a joint meeting with the shareholders of any other association or associations participating in the election of the director; and that the candidate receiving the highest aggregate number of votes at such meeting or meetings shall be declared elected. Whenever two or more national farm loan associations have entered into such an agreement, the members of the common board of directors provided for in the agreement shall be ex officio

the members of the board of directors of each association that is a party to the agreement, any provisions of this chapter to the contrary notwithstanding. (July 17, 1916, ch. 245, § 9, as amended Aug. 19, 1937, ch. 704, § 25 (a), 50 Stat. 710.)

REFERENCES IN TEXT

In the original, "this chapter" reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

SAVING CLAUSE

See note under section 640a of this title.

§ 747. Same; transfer of powers to loan committee.—Whenever a national farm loan association has entered into such an agreement, the power of approving applications for loans through the association and the power of admitting persons to membership in the association shall be vested in the loan committee of the association in lieu of being vested in its board of directors. The loan committee of any such association shall be elected annually by the shareholders of the association, instead of by its board of directors, and the shareholders shall in addition annually elect two alternates to serve as members of the loan committee at such times as regular members may be absent or disqualified. (July 17, 1916, ch. 245, § 9, as amended Aug. 19, 1937, ch. 704, § 25 (a), 50 Stat. 711.)

SAVING CLAUSE

See note under section 640a of this title.

APPRAISAL FOR FARM LOANS

§ 751. Investigation by loan committee of association; character and solvency of applicant; sufficiency of security offered; report.—Whenever an application for a mortgage loan is made through a national farm loan association, the loan committee provided for in section 712 of this title shall forthwith make, or cause to be made, such investigation as it may deem necessary as to the character and solvency of the applicant, and the sufficiency of the security offered, and cause written report to be made of the result of such investigation, and shall, if it concurs in such report, approve the same in writing. No loan shall be made unless the report is favorable, and the loan committee is unanimous in its approval thereof. (July 17, 1916, ch. 245, § 10, 39 Stat. 369; Apr. 20, 1920, ch. 154, § 2, 41 Stat. 570.)

§ 752. Submission to land bank of loan application and report of association's committee; consideration of association's appraisal by bank.—The written report required in section 751 of this title shall be submitted to the Federal land bank, together with the application for the loan, and the directors of said land bank shall examine said written report when they pass on the loan application which it accompanies, but they shall not be bound by said appraisal. (July 17, 1916, ch. 245, § 10, 39 Stat. 369; Apr. 20, 1920, ch. 154, § 2, 41 Stat. 570.)

§ 753. Requirement for appraisal of land offered as security before making land bank loan.—Before any mortgage loan is made

by any Federal land bank, or joint stock land bank, it shall refer the application and written report of the loan committee to one or more of the land bank appraisers appointed under the authority of section 656 of this title, and such appraiser or appraisers shall investigate and make a written report upon the land offered as security for said loan. No such loan shall be made by said land bank unless said written report is favorable. (July 17, 1916, ch. 245, § 10, 39 Stat. 369.)

CROSS REFERENCE

Joint-stock land banks forbidden to make farm loans except such as are necessary and incidental to refinancing existing loans or to sale of real estate, see section 810 of this title.

§ 754. **Forms for reports.**—Forms for appraisal reports for farm loan associations and land banks shall be prescribed by the Farm Credit Administration. (July 17, 1916, ch. 245, § 10, 39 Stat. 369; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 755. **Examinations by land bank appraisers as to farm loan bonds and first mortgages.**—Land bank appraisers shall make such examinations and appraisals and conduct such investigations, concerning farm loan bonds and first mortgages, as the Farm Credit Administration shall direct. (July 17, 1916, ch. 245, § 10, 39 Stat. 369; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 756. **Borrower ineligible as land bank appraiser; association director or committeeman disqualified by interest in loan.**—No borrower under this subchapter shall be eligible as an appraiser under this subdivision, but borrowers may act as members of a loan committee in any case where they are not personally interested in the loan under consideration. When any member of a loan committee or of a board of directors is interested, directly or indirectly, in a loan, a majority of the board of directors of any national farm loan association shall appoint a substitute to act in his place in passing upon such loan. (July 17, 1916, ch. 245, § 10, 39 Stat. 369.)

REFERENCES IN TEXT

In the original "this subchapter" reads "this Act", meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

POWERS OF NATIONAL FARM LOAN ASSOCIATIONS

§ 761. **Enumerated powers.**—Every national farm loan association shall have power:

First. *Indorsing mortgages.*—To indorse, and thereby become liable for the payment of, mortgages taken from its shareholders by the Federal land bank of its district.

Second. *Receiving advances from banks and loaning to shareholders.*—To receive from the Federal land bank of its district funds advanced by said land bank, and to deliver said funds to its shareholders on receipt of first mortgages qualified under section 771 of this chapter.

Third. *Fixing charges for applications for loans.*—To fix reasonable initial charges to be made against applicants for loans and to borrowers in order to meet the necessary expenses of the

association: *Provided*, That such charges shall not exceed amounts to be fixed by the Farm Credit Administration, and shall in no case exceed 1 per centum of the amount of the loan applied for; to acquire and dispose of property, real and personal, that may be necessary or convenient for the transaction of its business.

Fourth. *Issuing interest-bearing certificates against deposits of current funds.*—To issue certificates against deposits of current funds bearing interest for not longer than one year at not to exceed 4 per centum per annum after six days from date, convertible into farm loan bonds when presented at the Federal land bank of the district in the amount of \$25 or any multiple thereof. Such deposits, when received, shall be forthwith transmitted to said land bank, and be invested by it in the purchase of farm-loan bonds issued by a Federal land bank or in first mortgages as defined by this subchapter.

Fifth. *Collections by one association for another.*—Whenever a Federal land bank shall have empowered any national farm loan association of its district to collect and pay over to said bank the dues, interest, amortization installments, and other sums payable under the terms, conditions, and covenants of the mortgages taken from its shareholders, such association may, with the approval of said bank, enter into an agreement with another association operating in the same or adjacent territory to make such collections, for and on behalf of the association thus empowered to do so, on any or all of said loans, and immediately pay the amounts so collected to said land bank. Such agreements shall be made upon such terms and conditions and for such consideration as may be approved by the Farm Credit Administration. (July 17, 1916, ch. 245, § 11, 39 Stat. 369; Apr. 20, 1920, ch. 154, § 3, 41 Stat. 570; Ex. Ord. No. 6084, Mar. 27, 1933; Aug. 19, 1937, ch. 704, § 25 (c), 50 Stat. 713.)

REFERENCES IN TEXT

In the original, "this chapter" reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

SAVING CLAUSE

See note under section 640a of this title.

CROSS REFERENCE

Facilities of associations available to Land Bank Commissioner in administering sections 1016-1019 of this title, see section 1018 of this title.

RESTRICTION ON LOANS OF FEDERAL LAND BANKS BASED ON FIRST MORTGAGES

§ 771. **Restrictions enumerated.**—No farm credit district organized under this chapter shall make loans except upon the following terms and conditions:

First. *Security by first mortgage.*—Said loans shall be secured by duly recorded first mortgages on farm land within the farm credit district in which the bank is situated.

Second. *Agreement for repayment on amortization plan.*—Every such mortgage shall contain an agreement providing for

the repayment of the loan on an amortization plan by means of a fixed number of annual or semi-annual installments sufficient to cover, first, a charge on the loan at a rate not exceeding the interest rate in the last series of farm-loan bonds issued by the land bank making the loan; second, a charge for administration and profits at a rate not exceeding, except with the approval of the Governor of the Farm Credit Administration, 1 per centum per annum on the unpaid principal, said two rates combined constituting the interest rate on the mortgage; and, third, such amounts to be applied on the principal as will extinguish the debt within an agreed period, not less than five years nor more than forty years: *Provided*, That after five years from the date upon which a loan is made the mortgagor may, upon any regular installment date, make in advance any number of payments or any portion thereof on account of the principal of his loan as provided by his contract or pay the entire principal of such loan, under the rules and regulations of the Farm Credit Administration: *And provided further*, That before the first issues of farm-loan bonds by any land bank the interest rate on mortgages may be determined in the discretion of said land bank, subject to the provisions and limitations of this subchapter.

Third. *Maximum interest rate.*—No loan on mortgage shall be made under this subchapter at a rate of interest exceeding 6 per centum per annum, exclusive of amortization payments.

Fourth. *Purposes of loans enumerated.*—Such loans may be made for the following purposes and for no other:

(a) To provide for the purchase of land for agricultural uses.

(b) To provide for the purchase of equipment, fertilizers, and livestock necessary for the proper and reasonable operation of the mortgaged farm; the term "equipment" to be defined by the Farm Credit Administration.

(c) To provide buildings and for the improvement of farm lands; the term "improvement" to be defined by the Farm Credit Administration.

(d) To liquidate indebtedness of the owner of the land mortgaged incurred for agricultural purposes, or incurred prior to January 1, 1937.

(e) To provide the owner of the land mortgaged with funds for general agricultural uses.

Fifth. *Limitation on amount of loans; appraisal; reappraisal.*—No such loan shall exceed 50 per centum of the value of the land mortgaged and 20 per centum of the value of the permanent, insured improvements thereon, said value to be ascertained by appraisal, as provided in sections 751-756 of this chapter. In making said appraisal the value of the land for agricultural purposes shall be the basis of appraisal and the earning power of said land shall be a principal factor.

In making loans to owners of groves and orchards, including citrus fruit groves and other fruit groves and orchards, the Federal land banks, the farm land banks, and all Government agencies making loans upon such character of property may, in appraising the property offered as security, give a reasonable and fair valuation to the fruit trees located and growing upon said

property and constituting a substantial part of its value. In determining the earning power of land used for the raising of livestock, due consideration shall be given to the extent to which the earning power of the fee-owned land is augmented by a lease or permit, granted by lawful authority of the United States or of any State, for the use of a portion of the public lands of the United States or of such State, where such permit or lease is in the nature of a right adjunctive to such fee-owned land, and its availability for use as such during the terms of the loan is reasonably assured.

A reappraisal may be permitted at any time in the discretion of the Federal land bank, and such additional loan may be granted as such reappraisal will warrant under the provisions of this paragraph. Whenever the amount of the loan applied for exceeds the amount that may be loaned under the appraisal as herein limited, such loan may be granted to the amount permitted under the terms of this paragraph without requiring a new application or appraisal.

Sixth. *Restrictions on eligibility for loans; assumption of mortgage and stock interests by purchaser of land or heir.*—No such loan shall be made to any person who is not at the time, or shortly to become, engaged in farming operations or to any other person unless the principal part of his income is derived from farming operations. In case of the sale of the mortgaged land, the Federal land bank may permit said mortgage and the stock interests of the vendor to be assumed by the purchaser. In case of the death of the mortgagor, his heir or heirs, or his legal representative or representatives, shall have the option within sixty days of such death, to assume the mortgage and stock interests of the deceased. As used in this paragraph (1) the term "person" includes an individual or a corporation engaged in the raising of livestock; and (2) the term "corporation" includes any incorporated association; but no such loan shall be made to a corporation (A) unless all the stock of the corporation is owned by individuals themselves personally actually engaged in the raising of livestock on the farm to be mortgaged as security for the loan, except in a case where the Land Bank Commissioner permits the loan if at least 75 per centum in value and number of shares of the stock of the corporation is owned by the individuals personally actually so engaged, and (B) unless the owners of at least 75 per centum in value and number of shares of the stock of the corporation assume personal liability for the loan. No loan shall be made to any corporation which is a subsidiary of, or affiliated (either directly or through substantial identity of stock ownership) with, a corporation ineligible to procure a loan in the amount applied for.

Seventh. *Maximum and minimum of loans.*—The amount of loans to any one borrower shall in no case exceed a maximum of \$50,000, but loans to any one borrower shall not exceed \$25,000 unless approved by the Land Bank Commissioner, nor shall any one loan be for a less sum than \$100, but preference shall be given to applications for loans of \$10,000 and under.

Eighth. *Form of applications for loans.*—Every applicant for a loan under the terms of this subchapter shall make application on a form to be prescribed for that purpose by the Farm Credit Administration, and such applicant shall state the objects to which the proceeds of said loan are to be applied, and shall afford such other information as may be required.

Ninth. *Interest on defaulted payments; payment of taxes and liens; insurance.*—Every borrower shall pay simple interest on defaulted payments at the rate of 8 per centum per annum, and by express covenant in his mortgage deed shall undertake to pay when due all taxes, liens, judgments, or assessments which may be lawfully assessed against the land mortgaged. Taxes, liens, judgments, or assessments not paid when due, and paid by the mortgagee, shall become a part of the mortgage debt and shall bear simple interest at the rate of 8 per centum per annum.

Every borrower shall undertake to keep insured to the satisfaction of the Farm Credit Administration all buildings the value of which was a factor in determining the amount of the loan. Insurance shall be made payable to the mortgagee as its interest may appear at time of loss, and at the option of the mortgagor and subject to general regulations of the Farm Credit Administration; sums so received may be used to pay for reconstruction of the buildings destroyed.

Tenth. *Agreement by borrowers as to use of loans.*—Every borrower who shall be granted a loan under the provisions of this subchapter shall enter into an agreement, in form and under conditions to be prescribed by the Farm Credit Administration, that if the whole or any portion of his loan shall be expended for purposes other than those specified in his original application, or if the borrower shall be in default in respect to any condition or covenant of the mortgage, the whole of said loan shall, at the option of the mortgagee, become due and payable forthwith: *Provided*, That the borrower may use part of said loan to pay for his stock in the farm loan association, and the land bank holding such mortgage may permit said loan to be used for any purpose specified in subsection fourth of this section.

Eleventh. *Loans not invalidated by unauthorized acts by banks or associations.*—No loan or the mortgage securing the same shall be impaired or invalidated by reason of the exercise of any power by any Federal land bank or national farm loan association in excess of the powers herein granted or any limitations thereon.

Twelfth. *Reduction of interest on loans and deferment of principal.*—Notwithstanding the provisions of paragraph "Second" of this section, the rate of interest on any loans on mortgage made through national farm loan associations or through agents as provided in sections 801-808 of this chapter, or purchased from joint stock land banks, by any Federal land bank, outstanding on May 12, 1933, or made through national farm loan associations after such date, shall not exceed $3\frac{1}{2}$ per centum per annum for all interest payable on installment dates occurring within a period of nine years commencing July 1, 1935; and no payment of the principal portion of any installment of any such loan outstanding on June 3, 1935, shall be required prior to July

11, 1938, if the borrower shall not be in default with respect to any other condition or covenant of his mortgage. The foregoing provisions shall also apply to interest on so-called purchase-money mortgages and on real estate sales contracts taken by the Federal land banks which is payable on installment dates occurring after June 30, 1942, except that in the case of such mortgages and contracts the rate of interest shall be one-half of 1 per centum per annum in excess of the rate paid by borrowers on mortgage loans made through national farm loan associations. The foregoing provisions shall apply to loans made by Federal land banks through branches, except that the rates of interest paid for the respective periods above specified shall be one-half of 1 per centum per annum in excess of the rates of interest paid during the corresponding periods by borrowers on mortgage loans made through national farm loan associations. The Secretary of the Treasury shall pay each Federal land bank, as soon as practicable after October 1, 1933, and after the end of each quarter thereafter, such amount as the Land Bank Commissioner certifies to the Secretary of the Treasury is equal to the amount by which interest payments on mortgages held by such bank have been reduced, during the preceding quarter, by reason of this paragraph; but in any case in which the Land Bank Commissioner finds that the amount of interest payable by such bank during any quarter has been reduced by reason of the refinancing of bonds under section 992 of this chapter, the amount of the reduction so found shall be deducted from the amount payable to such bank under this paragraph. No payments shall be made to a bank with respect to any period after June 30, 1944. There is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$15,000,000 for the purpose of enabling the Secretary of the Treasury to make payments to Federal land banks which accrue during the fiscal year ending June 30, 1934, and such additional amounts as may be necessary to make payments accruing during subsequent fiscal years. (July 17, 1916, ch. 245, § 12, 39 Stat. 370; Apr. 20, 1920, ch. 154, § 4, 41 Stat. 570; Mar. 4, 1923, ch. 252, §§ 306, 307, 42 Stat. 1476; Mar. 4, 1933, ch. 270, § 2, 47 Stat. 1547; Ex. Ord. No. 6084, Mar. 27, 1933; May 12, 1933, ch. 25, §§ 24, 25, 41, 48 Stat. 43, 44, 51; June 16, 1933, ch. 98 §§ 73, 74, 80 (a), 48 Stat. 271, 273; June 3, 1935, ch. 164, §§ 3, 18, 22, 49 Stat. 314, 319; June 24, 1936, ch. 762, 49 Stat. 1912; July 22, 1937, ch. 516, § 1, 50 Stat. 521; Aug. 19, 1937, ch. 704, §§ 5 (a), 12, 50 Stat. 704, 708; June 16, 1938, ch. 462, § 1, 52 Stat. 709; June 29, 1940, ch. 441, § 1, 54 Stat. 684; June 27, 1942, ch. 449, § 1, 56 Stat. 391.)

AMENDMENTS

1942—Twelfth par., first sentence was amended by act June 27, 1942, cited to text, which advanced period from "seven" to "nine" years commencing July 1, 1935.

Twelfth par., third sentence, was added by act June 27, 1942, cited to text.

Twelfth par., fifth sentence, formerly fourth, was amended by act June 27, 1942, cited to text, which changed date from "June 30, 1942" to "June 30, 1944."

SAVING CLAUSE

See note under section 640a of this title.

§ 772. Loans to be in current funds, bonds of corporation, or farm loan bonds.—Amounts transmitted to farm loan associations by Federal land banks to be loaned to its members shall, at the option of the bank, be in current funds or Federal Farm Mortgage Corporation bonds, or, at the option of the borrower, in farm loan bonds. (July 17, 1916, ch. 245, § 12, 39 Stat. 370; Jan. 31, 1934, ch. 7, § 7, 48 Stat. 346.)

§ 773. Mortgages on farm lands under United States reclamation projects.—The term “first mortgage”, as used in section 771 of this title, shall be construed to include mortgages on farm lands under United States reclamation projects, notwithstanding there may be against such lands a reserved or created lien in favor of the United States for construction or other charges as provided in sections 372, 381, 383, 391, 392, 411, 416, 419, 421, 431, 432, 434, 439, 461, 476, 491, 498 of Title 43, and acts amendatory thereof and supplementary thereto, known as the reclamation law: *Provided*, That such lands are otherwise eligible for loans under this chapter: *And provided further*, That the amount and date of maturity of such lien shall be given due consideration in fixing the value of such lands for loan purposes. (May 15, 1922, ch. 190, § 3, 42 Stat. 542.)

REFERENCES IN TEXT

In the original “this chapter” reads “the Federal Farm Loan Act” (act July 17, 1916, ch. 245, 39 Stat. 360). For distribution of said act in this Code, see note under section 641 of this title.

§ 773a. Loans on lands in drainage, irrigation, or conservancy districts.—The Farm Credit Administration, the Federal Farm Mortgage Corporation, the Federal land banks, the Land Bank Commissioner, and any lending or financing agency established by or under this chapter, are authorized to make loans or acquire mortgages on lands in any drainage, irrigation, or conservancy district, notwithstanding the existence of any prior lien or charge arising out of an assessment for special benefits made by such district, in any case where (1) such land is otherwise eligible for a loan, (2) such assessment is payable over a period of years, and (3) reasonable security exists for the repayment of the loan, taking into consideration all facts and values, including the term and size of the loan, the integrity of the applicant, and the increased earning capacity of the lands arising from the improvements or benefits in respect of which the assessment was made. (June 4, 1936, ch. 496, 49 Stat. 1461.)

REFERENCES IN TEXT

In the original “this chapter” reads “the Farm Credit Act of 1933 (act June 16, 1933, ch. 98, 48 Stat. 257), as amended, or the Federal Farm Loan Act, as amended (act July 17, 1916, ch. 245, 39 Stat. 360).” The Farm Credit Act of 1933 was incorporated into the Code as sections 637-640, 653, 674, 678-681, 683, 694, 723, 744a, 771, 781, 791, 874, 876, 878-880, 884, 952, 963a, 964, 971, 972, 983, 987, 992, 1016-1018, 1022, 1031, 1124, 1131-1138f, 1141c-1141f, 1141j, 1148a, and 1151a of this title and section 610 of Title 7, Agriculture. For distribution of the Federal Farm Loan Act in this Code, see note under section 641 of this title.

POWERS OF FEDERAL LAND BANKS GENERALLY

§ 781. **Enumerated powers.**—Every Federal land bank shall have power, subject to the limitations and requirements of this subchapter—

First. *Issuing and selling farm loan bonds.*—To issue, subject to the approval of the Farm Credit Administration, and to sell farm loan bonds of the kinds authorized in this subchapter, to buy the same for its own account, and to retire the same at or before maturity.

Second. *Investing funds in first farm mortgages.*—To invest such funds as may be in its possession in the purchase of qualified first mortgages on farm lands situated within the farm credit district within which it is organized or for which it is acting. In order to reduce and/or refinance farm mortgages, to invest such funds as may be in its possession in the purchase of first mortgages on farm lands situated within the farm credit district within which it is organized or for which it is acting, or to exchange farm loan bonds for any duly recorded first mortgages on farm lands executed prior to May 12, 1933, at a price which shall not exceed in each individual case the amount of the unpaid principal of the mortgage on the date of such purchase or exchange, or 50 per centum of the normal value of the land mortgaged and 20 per centum of the value of the permanent insured improvements thereon as determined upon an appraisal made pursuant to this subchapter, whichever is the smaller: *Provided*, That any mortgagor whose mortgage is acquired by a Federal land bank under this paragraph shall be entitled to have his farm mortgage indebtedness refinanced in accordance with the provisions of sections 711-723 and 731-734 of this chapter on the basis of the amount paid by the bank for his mortgage.

Third. *Receipt and deposit of mortgages as collateral for bonds; collection of moneys payable under mortgages and bonds.*—To receive and to deposit in trust with the farm loan registrar for the district, to be by him held as collateral security for farm loan bonds, first mortgages upon farm land qualified under section 771 of this chapter, and to empower national farm loan associations, or duly authorized agents, to collect and immediately pay over to said land banks the dues, interest, amortization installments and other sums payable under the terms, conditions, and covenants of the mortgages and of the bonds secured thereby.

Fourth. *Acquiring and disposing of property.*—To acquire and dispose of—

(a) Such property, real or personal, as may be necessary or convenient for the transaction of its business, which, however, may be in part leased to others for revenue purposes.

(b) Parcels of and acquired in satisfaction of debts or purchased at sales under judgments, decrees, or mortgages held by it. But no such bank shall hold title and possession of any real estate purchased or acquired to secure any debt due to it, for a longer period than five years, except with the special approval of the Farm Credit Administration in writing. Every such bank may carry real estate as an asset for a period of not exceeding five years, at its normal value but not to exceed the amount of the

bank's investment therein at the time of acquirement of such real estate.

Fifth. *Depositing securities and funds with reserve banks.*—To deposit its securities and its current funds subject to check, with any member bank of the Federal Reserve System, and to receive interest on the same as may be agreed.

Sixth. *Receiving deposits from associations.*—To accept deposits of securities or of current funds from national farm loan associations holding its shares, but to pay no interest on such deposits.

Seventh. *Borrowing money.*—To borrow money, to give security therefor, and to pay interest thereon.

Eighth. *Buying and selling bonds of United States and Federal Farm Mortgage Corporation.*—To buy and sell United States bonds and Federal Farm Mortgage Corporation bonds.

Ninth. *Charging fees for loans.*—To charge applicants for loans and borrowers, under rules and regulations promulgated by the Farm Credit Administration, reasonable fees not exceeding the actual cost of appraisal and determination of title. Legal fees and recording charges imposed by law in the State where the land to be mortgaged is located may also be included in the preliminary costs of negotiating mortgage loans. The borrower may pay such fees and charges or he may arrange with the Federal land bank making the loan to advance the same, in which case said expenses shall be made a part of the face of the loan and paid off in amortization payments. Such addition to the loan shall not be permitted to increase said loan above the limitations provided in section 771 of this chapter.

Tenth. *Extension of obligations unpaid under terms of mortgages.*—When in the judgment of the directors conditions justify it, to extend, in whole or in part, any obligation that may be or become unpaid under the terms of any mortgage, and to accept payment of any such obligation during a period of five years or less from the date of such extension in such amounts as may be agreed upon at the date of making such extension. The sum of \$25,000,000 of the amount authorized to be appropriated under section 698 of this chapter shall be used exclusively for the purpose of supplying any bank with funds to use in its operations in place of any amounts of which such bank may be deprived by reason of extensions made as provided in this paragraph. The terms of any such extension shall be such as will not defer the collection of any obligation due by any borrower which, after investigation by the bank of the situation of such borrower, is shown to be within his capacity to meet. In the case of any such extension, or in the case of any deferment of principal as provided in paragraph "Twelfth" of section 771 of this chapter, it shall be the duty of the Secretary of the Treasury, on behalf of the United States, upon the request of the Federal land bank making the extension, and with the approval of the Land Bank Commissioner, to subscribe at such periods as the Commissioner shall determine, to the paid-in surplus of such bank an amount equal to the amount of all such extensions and deferments made by the bank during the preceding period. Such sub-

scriptions shall be subject to call, in whole or in part, by the bank with the approval of the Commissioner upon thirty days' notice. To enable the Secretary of the Treasury to make such subscriptions to the paid-in surplus of the Federal land banks, there is hereby authorized to be appropriated the sum of \$50,000,000, to be immediately available and remain available until expended. Upon payment to any Federal land bank of the amount of any such subscription, such bank shall execute and deliver a receipt therefor to the Secretary of the Treasury in form to be prescribed by the Land Bank Commissioner. The amount of any subscriptions to the paid-in surplus of any such bank may be repaid in whole or in part at any time in the discretion of the bank and with the approval of the Land Bank Commissioner, and the Commissioner may at any time require such subscriptions to be repaid in whole or in part if in his opinion the bank has resources available therefor. The unexpended balances of the funds appropriated by the Fourth Deficiency Act, fiscal year 1933, approved June 16, 1933 (48 Stat. 279), the Emergency Appropriation Act, fiscal year 1935, approved June 19, 1934 (48 Stat. 1060), the Second Deficiency Appropriation Act, fiscal year 1935, approved August 12, 1935 (49 Stat. 592), the First Deficiency Appropriation Act, fiscal year 1936, approved June 22, 1936 [49 Stat. 1597], the Treasury Department Appropriation Act, 1937, approved June 23, 1936 [49 Stat. 1827], and the Treasury Department Appropriation Act, 1938, approved May 14, 1937 [50 Stat. 137], for the purpose of enabling the Secretary of the Treasury to make subscriptions to the paid-in surplus of the Federal land banks, as provided for in this paragraph, and the proceeds of all repayments on account of such paid-in surplus, shall be held in the Treasury of the United States as a revolving fund and shall be available for subscriptions to paid-in surplus made pursuant to this paragraph.

Eleventh. *Postponement of payment of installments of loans.*—At any time within five years after March 4, 1933, any borrower who has obtained a loan from a Federal land bank may on application to such Federal land bank and upon approval of such application by the directors of the bank postpone the payment of any unpaid installment or installments in the manner herein provided in this section. Such postponed payment shall be made by paying at the time each succeeding annual installment is due, one-tenth of the amount of the postponed payment, and, in the case of semiannual installments, by paying at the time each succeeding semiannual installment is due, one-twentieth of the postponed payment, until the amount of such postponed payment has been paid. In any case in which the number of remaining installments due on the mortgage is less than ten, in the case of annual installments, or less than twenty, in the case of semiannual installments, the amount of the postponed payment shall be distributed proportionately over the remaining number of installment payments.

Twelfth. *Interest rate; on extended payments; on taxes, liens, etc., paid by mortgagee.*—For the period of five years after Mar 4, 1933, every borrower shall pay simple interest on ex-

tended payments at the same rate of interest as stipulated in the mortgage securing the loan as to payments not in default and by express covenant in his mortgage deed shall undertake to pay when due all taxes, liens, judgments, or assessments which may be lawfully assessed against the land mortgaged. Taxes, liens, judgments, or assessments not paid when due, and paid by the mortgagee, shall become a part of the mortgage debt and shall bear interest at the rate provided in the mortgage.

Thirteenth. *Reamortization of mortgages.*—When in the judgment of the directors conditions justify it, and with the approval of the Farm Credit Administration, to reamortize, in whole or in part, the aggregate amount remaining unpaid under the terms of any mortgage, and to accept payment of such aggregate amount on an amortization plan by means of a fixed number of annual or semiannual installments sufficient to cover the interest payable on the mortgage, and in addition thereto such amounts to be applied upon the principal as will extinguish the debt within an agreed period of not more than forty years from the date of the reamortization; to deposit such mortgages with the farm lona registrar as collateral security for farm-loan bonds at an amount not exceeding the principal of the original loan remaining unpaid at the date of such amortization; and with the approval of the Farm Credit Administration to charge the borrower an amount not to exceed the actual cost incurred in connection with such reamortization.

Fourteenth. *Agreements to share gains and losses with associations.*—To enter into agreements with national farm loan associations of the district under the terms of which losses incurred and gains realized on account of the disposition of lands covered by a defaulted mortgage indorsed by such association will be shared equally by the band and the association.

Fifteenth. *Exchange for and purchase of Federal Farm Mortgage Corporation bonds.*—To exchange farm loan bonds for Federal Farm Mortgage Corporation bonds of equal face value.

Sixteenth. *Exchange of Federal Farm Mortgage Corporation bonds for farm loan bonds.*—To exchange Federal Farm Mortgage Corporation bonds for farm loan bonds of equal face value.

Seventeenth. *Loans to other Federal land banks.*—To make loans to other Federal land banks upon such terms and conditions as may be approved by the Farm Credit Administration.

Eighteenth. *Accepting conditional payments for subsequent credit on indebtedness.*—To accept conditional payments from borrowers for subsequent credit upon their indebtedness to the land banks; and to allow interest on such payments. All conditional payments so accepted shall be subject to such terms and conditions, not inconsistent with the provisions of this paragraph and with any rules or regulations prescribed for its efficient execution by the Farm Credit Administration, as may be agreed upon at the time of their acceptance. If a conditional payment is accepted for subsequent credit upon a first mortgage which is at the time or is thereafter pledged as collateral security for an issue of farm-loan bonds, all requirements, conditions, and limitations set forth in sections 897-899 of this title

shall apply to such payment the same as though it were a present payment on the principal of the mortgage pledged as collateral security, and the land bank shall forthwith notify the farm loan registrar of its receipt of such payment and account to him therefor. Every conditional payment accepted by a land bank for subsequent credit upon indebtedness of a borrower shall be credited upon such indebtedness as the borrower may from time to time direct in accordance with the terms and conditions upon which the payment has been accepted, and at the option of the bank may in any event be credited upon such indebtedness as and when it matures if it is not otherwise paid by the borrower at or before maturity. If at any time after five years from the date on which a borrower's loan was made, the aggregate of the borrower's conditional payments accepted on account of his indebtedness under such loan and not yet credited thereon equals or exceeds his total indebtedness under the loan, all unmatured indebtedness under such loan shall become due and payable at once, and the payment so accepted shall forthwith be credited upon the borrower's indebtedness under the loan so far as may be necessary to pay it in full. Any balances of conditional payments remaining uncredited when the indebtedness on account of which they have been accepted has been paid in full shall be refunded to the borrower by the land bank. (July 17, 1916, ch. 245, § 13, 39 Stat. 372; Jan. 23, 1932, ch. 9, § 5, 47 Stat. 14; Mar. 4, 1933, ch. 270, §§ 3, 4, 47 Stat. 1548; Ex. Ord. No. 6084, Mar. 27, 1933; May 12, 1933, ch. 25, §§ 22, 23, 48 Stat. 42, 43; June 16, 1933, ch. 98, §§ 79, 80 (a), 48 Stat. 272, 273; Jan. 31, 1934, ch. 7, § 8 (a), 48 Stat. 347; Aug. 19, 1937, ch. 704, §§ 5 (a), 15 (a), (b), 16, 17, 19, 50 Stat. 704, 708, 709.

REFERENCES IN TEXT

In the original "this subchapter" reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

SAVING CLAUSE

See note under section 640a of this title.

RESTRICTIONS ON FEDERAL LAND BANKS

§ 791. Enumeration of restrictions.—No Federal land bank shall have power—

First. *Limiting deposits.*—To accept deposits of current funds payable upon demand except from its own stockholders or to transact any banking or other business not expressly authorized by the provisions of this subchapter.

Second. *Loaning on first mortgages except through associations.*—To loan on first mortgages except through national farm-loan associations as provided in sections 711-722 and sections 731-734 of this chapter, or through agents as provided in sections 801-808 of this chapter, or direct to borrowers as provided in section 723.

Third. *Accepting other than first mortgages.*—To accept any mortgages on real estate except first mortgages created subject

to all limitations imposed by sections 771 and 772 of this chapter, and those taken as additional security for existing loans.

Fourth. *Issuing excess of bonds; receiving excess of mortgages from associations.*—To issue or obligate itself for outstanding farm loan bonds including consolidated bonds issued on its behalf in excess of twenty times the amount of its capital and surplus, or to receive from any national farm loan association additional mortgages when the principal remaining unpaid upon mortgages already received from such association shall exceed twenty times the amount of its capital stock owned by such association.

Fifth. *Demanding unauthorized commissions.*—To demand or receive, under any form or pretense, any commission or charge not specifically authorized in this subchapter.

Sixth. *Accepting mortgages on personal property exempt from execution.*—To accept as additional security for any loan to any borrower under this subchapter, or any installment on any such loan, any personal property which is exempt from execution upon judgment under the laws of the State in which the land with respect to which the mortgage is given is situated. (July 17, 1916, ch. 245, § 14, 39 Stat. 372; Mar. 4, 1933, ch. 270, § 5 (a), (b), 47 Stat. 1549; June 16, 1933, ch. 98, §§ 71, 75 (a), 48 Stat. 271.)

REFERENCES IN TEXT

In the original "this chapter" reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

LOANS BY FEDERAL LAND BANKS THROUGH AGENTS

§ 801. Loans; when authorized.—Whenever it shall appear to the Farm Credit Administration that national farm loan associations have not been formed, and are not likely to be formed, in any locality, because of peculiar local conditions, said administration may, in its discretion, authorize Federal land banks to make loans on farm lands through agents approved by said administration. (July 17, 1916, ch. 245, § 15, 39 Stat. 373; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 802. Manner of making.—Loans authorized by section 801 of this title shall be subject to the same conditions and restrictions as if the same were made through national farm loan associations, and each borrower shall contribute 5 per centum of the amount of his loan to the capital of the Federal land bank, and shall become the owner of as much capital stock of the land bank as such contribution shall warrant. (July 17, 1916, ch. 245, § 15, 39 Stat. 373.)

§ 803. Who may be employed as agent.—No agent other than a duly incorporated bank, trust company, mortgage company, or savings institution, chartered by the State in which it has its principal office, shall be employed under the provisions of sections 801-808 hereof. (July 17, 1916, ch. 245, § 15, 39 Stat. 373.)

§ 804. Expenses of and commissions to agents.—Federal land banks may pay to such agents the actual expense of appraising the land offered as security for a loan, examining and certifying

the title thereof, and making, executing, and recording the mortgage papers; and in addition may allow said agents not to exceed one-half of 1 per centum per annum upon the unpaid principal of said loan, such commission to be deducted from dividends payable to the borrower on his stock in the Federal land bank. (July 17, 1916, ch. 245, § 15, 39 Stat. 373.)

§ 805. **Expenses of agents added to loans.**—Actual expenses paid to agents under the provisions of sections 801-808 hereof shall be added to the face of the loan and paid off in amortization payments subject to the limitations provided in subsection ninth of section 781 of this title. (July 17, 1916, ch. 245, § 15, 39 Stat. 373.)

§ 806. **Collection of loan payments.**—Said agents, when required by the Federal land banks, shall collect and forward to such banks without charge all interest and amortization payments on loans indorsed by them. (July 17, 1916, ch. 245, § 15, 39 Stat. 373.)

§ 807. **Indorsement of loans; liability thereon.**—Any agent negotiating any such loan shall indorse the same and become liable for the payment thereof, and for any default by the mortgagor, on the same terms and under the same penalties as if the loan had been originally made by said agent as principal and sold by said agent to said land bank, but the aggregate of the unpaid principal of mortgage loans received from any such agent shall not exceed 10 times its capital and surplus. (July 17, 1916, ch. 245, § 15, 39 Stat. 373.)

§ 808. **When loans to cease.**—If at any time the district represented by any agent under the provisions of sections 801-808 of this title shall, in the judgment of the Farm Credit Administration, be adequately served by national farm-loan associations, no further loans shall be negotiated therein by agents under said sections. (July 17, 1916, ch. 245, § 15, 39 Stat. 373; Ex. Ord. No. 6084, Mar. 27, 1933.)

TRANSFER OF FUNCTIONS

Farm Credit Administration was transferred to the Department of Agriculture. See note preceding section 636 of this title.

JOINT-STOCK LAND BANKS

§ 810. **Restriction against making loans or issuing bonds after May 12, 1933.**—After May 12, 1933, no joint-stock land bank shall issue any tax-exempt bonds or make any farm loans except such as are necessary and incidental to the refinancing of existing loans or bond issues or to the sale of any real estate now owned or hereafter acquired by such bank. (May 12, 1933, ch. 25, § 29, 48 Stat. 46.)

§ 811. **Organization; directors.**—Corporations, to be known as joint-stock land banks, for carrying on the business of lending on farm-mortgage security and issuing farm-loan bonds, may be formed by any number of natural persons not less than ten. They shall be organized subject to the requirements and under the conditions set forth in sections 671-683 of this title, so far as the same may be applicable: *Provided*, That the board of directors of every joint-stock land bank shall consist of not less than five members. (July 17, 1916, ch. 245, § 16, 39 Stat. 374.)

REFERENCES IN TEXT

Sections 678-683, included within reference in this section, have been repealed. See notes under section 677a and 678-683 of this title.

CROSS REFERENCE

Joint-stock land banks not to issue after May 12, 1933, tax-exempt bonds or make any farm loans except such as are necessary and incidental to the refinancing of existing loans or bond issues or to sale of real estate, see section 810 of this title.

§ 812. Individual liability of shareholders.—Shareholders of every joint-stock land bank organized under this chapter shall be held individually responsible, equally and ratably, and not one for another, for all contracts, debts, and engagements of such bank to the extent of the amount of stock owned by them at the par value thereof, in addition to the amount paid in and represented by their shares. (July 17, 1916, ch. 245, § 16, 39 Stat. 374.)

REFERENCES IN TEXT

In the original "this chapter" reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

§ 813. Powers, duties, and liabilities; stock.—Except as otherwise provided, joint-stock land banks shall have the powers of, and be subject to all the restrictions and conditions imposed on, Federal land banks by this chapter, so far as such restrictions and conditions are applicable: *Provided, however,* That the Government of the United States shall not purchase or subscribe for any of the capital stock of any such bank; and each shareholder of any such bank shall have the same voting privileges as holders of shares in national banking associations. (July 17, 1916, ch. 245, § 16, 39 Stat. 374.)

REFERENCES IN TEXT

In the original "this chapter" reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

CROSS REFERENCE

Joint-stock land banks not to issue after May 12, 1933, tax-exempt bonds or make any farm loans except such as are necessary and incidental to the refinancing of existing loans or bond issues or to sale of real estate, see section 810 of this title.

§ 814. Limitation on amount of issue of bonds; transacting unauthorized business.—No joint-stock land bank shall have power to issue or obligate itself for outstanding farm-loan bonds in excess of fifteen times the amount of its capital and surplus, or to receive deposits or to transact any banking or other business not expressly authorized by the provisions of this chapter. (July 17, 1916, ch. 245, § 16, 39 Stat. 374.)

REFERENCES IN TEXT

In the original "this chapter" reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

CROSS REFERENCE

Joint-stock land banks not to issue after May 12, 1933, tax-exempt bonds or make any farm loans except such as are necessary and incidental to the

refinancing of existing loans or bond issues or to sale of real estate, see section 810 of this title.

§ 815. Minimum capital stock.—No joint-stock land bank shall be authorized to do business until capital stock to the amount of at least \$250,000 has been subscribed, one-half thereof paid in cash, and the balance subject to call by the board of directors, and a charter has been issued to it by the Farm Credit Administration. (July 17, 1916, ch. 245, § 16, 39 Stat. 374; Ex. Ord. No. 6084, Mar. 27, 1933.)

CROSS REFERENCE

Joint-stock land banks not to issue after May 12, 1933, tax-exempt bonds or make any farm loans except such as are necessary and incidental to the refinancing of existing loans or bond issues or to sale of real estate, see section 810 of this title.

§ 816. Issuing bonds before payment of stock.—No joint-stock land bank shall issue any bonds until after the capital stock is entirely paid up. (July 17, 1916, ch. 245, § 16, 39 Stat. 374.)

CROSS REFERENCE

Joint-stock land banks not to issue after May 12, 1933, tax-exempt bonds or make any farm loans except such as are necessary and incidental to the refinancing of existing loans or bond issues or to sale of real estate, see section 810 of this title.

§ 817. Form of bonds.—Farm-loan bonds issued by joint-stock land banks shall be so engraved as to be readily distinguished in form and color from farm-loan bonds issued by Federal land banks, and shall otherwise bear such distinguishing marks as the Farm Credit Administration shall direct. (July 17, 1916, ch. 245, § 16, 39 Stat. 374; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 818. Interest rates; restrictions on mortgage loans.—Joint-stock land banks shall not be subject to the provisions of subsection (b) of section 831 of this chapter as to interest rates on mortgage loans or farm-loan bonds, nor to the provisions of subsections first, fourth, sixth, seventh, and tenth of section 771 of this title as to restrictions on mortgage loans: *Provided, however,* That no loans shall be made which are not secured by first mortgages on farm lands within the State in which such joint-stock land bank has its principal office, or within some one State contiguous to such State, except as hereinafter provided. Such joint-stock land banks shall be subject to all other restrictions on mortgage loans imposed on Federal land banks in section 771 of this chapter. (July 17, 1916, ch. 245, § 16, 39 Stat. 374; Mar. 4, 1931, ch. 518, § 1, 46 Stat. 1548.)

§ 819. Limitation on interest rates.—Joint-stock land banks shall in no case charge a rate of interest on farm loans exceeding by more than 1 per centum the rate of interest established for the last series of farm-loan bonds issued by them. (July 17, 1916, ch. 245, § 16, 39 Stat. 374.)

§ 820. Unauthorized commissions or charges.—Joint-stock land banks shall in no case demand or receive, under any form or pretense, any commission or charge not specifically authorized in this chapter. (July 17, 1916, ch. 245, § 16, 39 Stat. 374.)

REFERENCES IN TEXT

In the original "this chapter" reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

§ 821. Bonds; form and contents.—Each joint-stock land bank organized under this chapter shall have authority to issue bonds based upon mortgages taken by it in accordance with the terms of this chapter. Such bonds shall be in form prescribed by the Farm Credit Administration, and it shall be stated in such bonds that such bank is organized under sections 811-823 of this title, is under Federal supervision, and operates under the provisions of this chapter. (July 17, 1916, ch. 245, § 16, 39 Stat. 374; Ex. Ord. No. 6084, Mar. 27, 1933.)

REFERENCES IN TEXT

In the original "sections 811-823 of this title", reads "section sixteen of this Act", and "this chapter" reads "this Act", meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section C41 of this title.

CROSS REFERENCE

Joint-stock land bank forbidden to issue tax-exempt bonds except such as are necessary and incidental to refinancing existing bond issues or to the sale of real estate, see section 810 of this title, which largely superseded this section.

§ 822. Voluntary liquidation.—Any joint-stock land bank organized and doing business under the provisions of this chapter may go into voluntary liquidation by making provision, to be approved by the Farm Credit Administration, for the payment of its liabilities: *Provided*, That such method of liquidation shall have been duly authorized by a vote of at least two-thirds of the shareholders of such joint-stock land bank at a regular meeting, or at a special meeting called for that purpose, of which at least ten days' notice in writing shall have been given to stockholders. (July 17, 1916, ch. 245, § 16, 39 Stat. 374; May 29, 1920, ch. 215, 41 Stat. 691; Ex. Ord. No. 6084, Mar. 27, 1933.)

REFERENCES IN TEXT

In the original "this chapter" reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

CROSS REFERENCE

Liquidation and consolidation of farm loan associations see also section 965 of this title.

§ 823. Assets of liquidating bank; purchase by Federal or joint-stock land bank; assumption of liabilities.—For the purpose of assisting in any such liquidation authorized as in section 822 of this title provided, any Federal land bank or joint-stock land bank may, with the approval of the Farm Credit Administration, acquire the assets and assume the liabilities of any joint-stock land bank, and in such transaction any Federal land bank may waive the provisions of this chapter requiring such bank to acquire its loans only through national farm loan associations or agents, and those relating to status of borrower, purposes of loan, and also the limitation as to the amount of individual loans.

No Federal land bank shall assume the obligations of any joint-stock land bank in such manner as to make its outstanding obligations more than twenty times its capital stock except by creation of a special reserve equal to one-twentieth of the amount of such additional obligations assumed. No joint-stock land bank shall assume the obligations of any other joint-stock land bank in such manner as to make its outstanding obligations more than fifteen times the amount of its capital and surplus except by creation of a special reserve equal to one-fifteenth of the amount of such additional obligations assumed. (July 17, 1916, ch. 245, § 16, 39 Stat. 374; May 29, 1920, ch. 215, 41 Stat. 691; Mar. 4, 1925, ch. 524, § 5, 43 Stat. 1263; Ex. Ord. No. 6084, Mar. 27, 1933.)

JOINT-STOCK LAND BANKS; LIMITATION ON POWERS

Joint-stock land banks are now prohibited from making loans or issuing tax-exempt bonds, except in circumstances permitted under § 810 of this chapter. This prohibition constituted section 29 of part 2 of "The Emergency Farm Mortgage Act of 1933." The remaining sections of part 2, which are quoted in this note, made provision for loans, to be made to joint-stock land banks during a limited period of time, to aid in the orderly liquidation of these corporations, and to enable them to grant certain emergency relief to their borrowers.

LOANS TO JOINT-STOCK LAND BANKS TO PROVIDE FOR ORDERLY LIQUIDATION

SEC. 30. (a) The Reconstruction Finance Corporation is authorized and directed to make available to the Land Bank Commissioner, out of the funds of the Corporation, the sum of \$100,000,000, to be used, for a period not exceeding four years from the date of enactment of this act, for the purpose of making loans to the joint stock land banks organized and doing business under the Federal Farm Loan Act, as amended, at a rate of interest not to exceed 4 per centum per annum, payable annually. Such loans shall be made upon application therefor by such banks and upon compliance with the requirements of this section. The amount which may be loaned hereunder to any such bank shall not exceed an amount having the same proportion to the said \$100,000,000 as the unpaid principal of the mortgages held by such bank on the date of enactment of this act bears to the total amount of the unpaid principal of the mortgages held by all the joint stock land banks on such date.

(b) Any joint stock land bank applying for a loan under this section shall deliver to the Land Bank Commissioner as collateral security therefor first mortgages or purchase-money mortgages on farm lands, first mortgages on farm real estate owned by the bank in fee simple, or such other collateral as may be available to said bank, including sales contracts and sheriff's certificates on farm lands. The real estate upon which such collateral is based shall be appraised by appraisers appointed under the Federal Farm Loan Act, as amended, and the borrowing bank shall be entitled to borrow not to exceed 60 per centum of the normal value of such real estate as determined by such appraisal. Fees for such appraisals shall be paid by the applicant banks in such amounts as may be fixed by the Land Bank Commissioner. No such loan shall be made until the applicant bank, under regulations to be prescribed by the Land Bank Commissioner, (1) shall have agreed to grant to each borrower then indebted to the bank under the terms of a first mortgage a reduction to 5 per centum per annum in the rate of interest specified in such mortgage, beginning at his next regular installment date and (2) shall have agreed to the satisfaction of the Commissioner that during a period of two years from June 3, 1935, the bank will not proceed against the mortgagor on account of default in the payment of interest or principal due under the terms of its mortgage and will not foreclose its mortgage unless the property covered by such mortgage is abandoned by the mortgagor or unless, in the opinion of the Commissioner, such foreclosure is necessary for other reasons. Such loans shall be made to aid the

orderly liquidation of any such bank in accordance with such plan as may be approved by the Land Bank Commissioner. Before any such plan is approved by the Commissioner he shall be satisfied that the plan carries out the purposes of this section and that such part of the proceeds of the loan as is devoted to settlements with bondholders will be used only to effect an equitable settlement with all bondholders. After the plan has been approved by the Commissioner he shall require the bank to mail a copy thereof to all its known bondholders and to publish a notice setting forth its provisions in at least three newspapers having general circulation. (May 12, 1933, ch. 25, § 30, 48 Stat. 46, as amended June 16, 1933, ch. 98, § 80 (a), 48 Stat. 273; June 3, 1935, ch. 164, § 16, 49 Stat. 313.)

LOANS BY THE LAND BANK COMMISSIONER TO JOINT-STOCK LAND BANKS FOR EMERGENCY PURPOSES

SEC. 31. (a) The Federal Farm Mortgage Corporation is authorized and directed to make available to the Land Bank Commissioner until July 1, 1938, out of the funds of the Corporation, the sum of \$2,000,000, to be used for the purpose of making loans to the joint-stock land banks organized and doing business under the Federal Farm Loan Act, as amended. Loans made by the Land Bank Commissioner under this section shall be made in the name and on behalf of the Corporation and shall bear interest at a rate not to exceed 4 per centum per annum. No loan shall be made under this section to any joint-stock land bank except for the purpose of obtaining, for a period of one year from the date on which the loan is made, postponement of the foreclosure of first mortgages held by such bank on account of (1) default in the payment of interest and principal due under the terms of the mortgage, and (2) unpaid delinquent taxes, excluding interest and penalties, which may be secured by the lien of said mortgage: *Provided*, That during the period of postponement of foreclosure such bank shall charge the mortgagor interest at a rate not exceeding 4 per centum per annum on the aggregate amount of such delinquent taxes and defaulted interest and principal with respect to which loans are made pursuant to this section. The amount loaned to any joint-stock land bank under this section shall be made without re-appraisal: *Provided*, That the amount loaned with respect to any mortgage on account of unpaid principal shall not exceed 5 per centum of the total unpaid principal of such mortgage, and the total amount loaned to any such land bank with respect to any mortgage shall not exceed 25 per centum of the total unpaid principal of such mortgage. (As amended Aug. 19, 1937, ch. 704, § 3, 50 Stat. 703.)

(b) No such loan shall be made with respect to any mortgage unless the Land Bank Commissioner is satisfied that the mortgagor, after exercising ordinary diligence to pay his accrued delinquent taxes, and meet accrued interest and principal payments, has defaulted thereon; and unless the bank shall have agreed to the satisfaction of the Land Bank Commissioner that during the period of postponement the bank will not foreclose such mortgage unless the property covered thereby is abandoned by the mortgagor or unless in the opinion of the Land Bank Commissioner such foreclosure is necessary for other reasons.

(c) Each such loan shall be secured by an assignment to the Land Bank Commissioner of the lien of the taxes and/or of the bank's mortgage with respect to which the loan is made: *Provided*, That the part of each such lien so assigned representing the interest and principal due and unpaid in any such mortgage which has been assigned to the farm loan registrar shall be subordinate to the existing lien of the bank for the balance of the indebtedness then or thereafter to become due under the terms of such mortgage; but the Land Bank Commissioner may require the bank to furnish additional collateral as security for such loan, if such collateral is available to the bank.

(d) The Land Bank Commissioner is authorized to make such rules and regulations as may be necessary to carry out the purposes of this section and to make the relief contemplated immediately available. (May 12, 1933, ch. 25, § 31, 48 Stat. 47, as amended June 16, 1933, ch. 98, § 80 (a), 48 Stat. 273; June 3, 1935, ch. 164, § 17 (a), (b), 49 Stat. 318.)

SAVING CLAUSE

See note under section 640a of this title.

CROSS REFERENCE

Cancellation of notes of Reconstruction Finance Corporation for loans made to Joint Stock Land Banks, see section 611a of Title 15, Commerce and Trade.

§ 824. Insolvency; receivership; acquisition of assets by other banks; loans by acquiring bank in additional States.—In any case where a joint-stock land bank has been, or may be, declared insolvent and placed in the hands of a receiver by the Farm Credit Administration, any Federal land bank or joint-stock land bank may, in the manner as may be prescribed by the Farm Credit Administration and with the approval of the Farm Credit Administration, acquire the assets and assume the liabilities of said joint-stock land bank in the hands of a receiver. Any joint-stock land bank which has acquired or may hereafter acquire the assets and which has assumed or may hereafter assume the liabilities of another joint-stock land bank may, if authorized by the Farm Credit Administration, make loans secured by first mortgages on farm lands within the States in which the other joint-stock land bank was authorized to make loans at the time of such acquisition, and the acquiring bank may, with the approval of the Farm Credit Administration, continue to make loans in the States where it was authorized to make loans at the time of such acquisition: *Provided, however,* That the acquiring bank shall not be authorized to make loans at any one time in more than five States, of which one shall be the State in which the bank has its principal office, one shall be contiguous to such State, the other shall be the States in which the acquired joint-stock land banks were authorized to make loans at the time of such acquisition, and all of said five States shall be situated in contiguous territory. (July 17, 1916, ch. 245, § 16, 39 Stat. 374; Mar. 4, 1931, ch. 518, § 2, 46 Stat. 1548; Ex. Ord. No. 6084, Mar. 27, 1933.)

CROSS REFERENCE

Institution and conduct of receivership of land banks, see section 963 of this title.

POWERS OF FARM CREDIT ADMINISTRATION

§ 831. Enumeration.—The Farm Credit Administration shall have power—

(a) **Organizing and chartering banks and loan associations; authorizing increase of stock.**—To organize and charter Federal land banks, and to charter national farm loan associations and joint-stock land banks subject to the provisions of this subchapter, and in its discretion to authorize them to increase their capital stock.

(b) **Reviewing and altering interest rates.**—To review and alter at its discretion the rate of interest to be charged by Federal land banks for loans made by them under the provisions of this subchapter, said rates to be uniform so far as practicable.

(c) **Granting or refusing authority to issue bonds.**—To grant or refuse to Federal land banks, or joint-stock land banks, authority to make any specific issue of farm-loan bonds.

(d) Making rules and regulations as to charges on loans.—To make rules and regulations respecting the charges made to borrowers on loans under this subchapter for expenses in appraisal, determination of title, and recording.

(e) Requiring reports, etc; examining banks and associations.—To require reports and statements of conditions and to make examinations of all banks or associations doing business under the provisions of this subchapter.

(f) Prescribing form and terms of bonds and surety bonds.—To prescribe the form and terms of farm-loan bonds, and the form, terms, and penal sums of all surety bonds required under this subchapter and of such other surety bonds as they shall deem necessary, such surety bonds to cover financial loss as well as faithful performance of duty.

(g) Regulating payments between banks.—To require Federal land banks to pay forthwith to any Federal land bank their equitable proportion of any sums advanced by said land bank to pay the coupons of any other land bank, basing said required payments on the amount of farm-loan bonds issued by each land bank and actually outstanding at the time of such requirement.

(h) Suspending or removal of directors, registrars, appraisers, and examiners.—To suspend or to remove for cause any district director or director at large, or any registrar, appraiser, examiner, or other official appointed by the Farm Credit Administration under authority of sections 651-664 of this title, as amended, the cause of such suspension or removal to be communicated forthwith in writing by said Administration to the person suspended or removed, and in case of a district director or director at large to the proper Federal land bank, Federal intermediate credit bank, production credit corporation and regional bank for cooperatives.

(i) Exercising supervisory authority over banks.—To exercise general supervisory authority over the Federal land banks, the national farm-loan associations, and the joint stock land banks herein provided for.

(j) Incidental powers.—To exercise such incidental powers as shall be necessary or requisite to fulfill its duties and carry out the purposes of this subchapter. (July 17, 1916, ch. 245, § 17, 39 Stat. 375; Ex. Ord. No. 6084, Mar. 27, 1933; Aug. 19, 1937, ch. 704, § 9, 50 Stat. 707.)

REFERENCES IN TEXT

In the original "this subchapter" reads "this Act", meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

TRANSFER OF FUNCTIONS

Farm Credit Administration was transferred to the Department of Agriculture. See note preceding section 636 of this title.

SAVING CLAUSE

See note under section 640a of this title.

CROSS REFERENCE

Rules and regulations by Farm Credit Administration, see section 665 of this title.

§ 832. Allocation of expenses of administrative services rendered each year by Farm Credit Administration to certain banking institutions; disposition of moneys.—(a) The Farm Credit Administration shall, prior to the first day of each fiscal year commencing after June 30, 1944, estimate for the ensuing fiscal year the cost of examinations of the joint-stock land banks, Federal land banks, national farm-loan associations, banks for cooperatives, Central Bank for Cooperatives, Federal intermediate credit banks, production credit corporations, and production credit associations; shall apportion the amount so determined among the joint-stock land banks, Federal land banks, banks for cooperatives, Central Bank of Cooperatives, Federal intermediate credit banks, production credit corporations, and production credit associations on such equitable basis as said Administration shall determine; and shall assess against and collect in advance the amount so apportioned from the banks, corporations, and other organizations among which the apportionment is made.

(b) The Farm Credit Administration shall, prior to the first day of each fiscal year commencing after June 30, 1944, estimate the cost to it for the ensuing fiscal year of the administrative supervision of the Federal land bank system, the banks for cooperatives, the Central Bank for Cooperatives, the Federal intermediate credit banks, and the production credit system; shall apportion the amount so determined among the Federal land banks, the banks for cooperatives, the Central Bank for Cooperatives, the Federal intermediate credit banks, and the production credit corporations on such equitable basis as said Administration shall determine; and shall assess against and collect in advance from such banks and corporations the amount so apportioned.

(c) The amounts collected pursuant to subsections (a) and (b) hereof shall be covered into the Treasury, and credited to a special fund, which fund is hereby authorized to be appropriated to said Administration for expenditure during each fiscal year for salaries and expenses applicable to examination and administrative supervision as set forth in the annual appropriation made for the same fiscal year for salaries and expenses of said Administration. As soon as practicable after the end of each such fiscal year, said Administration shall determine on a fair and reasonable basis (1) the cost of the examination services rendered during the fiscal year to each said bank, corporation, or other organization; and (2) the amount which fairly and equitably should be allocated to each bank and corporation as the cost during the fiscal year of such administrative supervision, and if the sum of these two items in any case is greater than the total amount collected from the bank, corporation, or other organization, the difference shall be collected from such bank, corporation, or other organization and, if less, shall be refunded from said special fund to the bank, corporation, or organization entitled thereto. (Sept. 21, 1944, ch. 412, title VI, § 601 (a-c), 58 Stat. 740.)

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

SIMILAR PROVISIONS

Provisions similar to this section were contained in the Department of Agriculture Appropriation Act for the following year:

1945—June 28, 1944, ch. 296, § 1, 58 Stat. 832.

§ 833. Purchase of manuscripts, data, and special reports; employment of personnel for special services.—The Farm Credit Administration is authorized to purchase manuscripts, data, and special reports by personal service without regard to the provisions of any other Act, and to employ persons, firms, and others for the performance of special services, including legal services: *Provided*, That expenditures under this authority shall not be made unless provision is made therefor in the applicable appropriation and the cost thereof is not in excess of limitations prescribed therein. (Sept. 21, 1944, ch. 412, title VI, § 602, 58 Stat. 741.)

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

APPLICATIONS FOR FARM-LOAN BONDS

§ 841. Application; to whom made; collateral security; schedule.—Any Federal land bank, or joint-stock land bank, which shall have voted to issue farm-loan bonds under this chapter, shall make written application to the Farm Credit Administration, through the farm-loan registrar of the district, for approval of such issue. With said application said land bank shall tender to said farm-loan registrar, as collateral security first mortgages on farm lands qualified under the provisions of sections 771, 801-808, or 811-824 of this title, or United States Government bonds, not less in aggregate amount than the sum of the bonds proposed to be issued. Said bank shall furnish with such mortgages a schedule containing a description thereof and such further information as may be prescribed by the Farm Credit Administration. (July 17, 1916, ch. 245, § 18, 39 Stat. 375; Ex. Ord. No. 6084, Mar. 27, 1933.)

REFERENCES IN TEXT

In the original "this chapter" reads "this Act", meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

§ 842. Verification of schedule; investigation and appraisal of securities tendered; decision as to application.—Upon receipt of the application provided for in section 841 of this title said farm-loan registrar shall verify the schedule also provided for in said section and shall transmit said application and said schedule to the Farm Credit Administration, giving such further information pertaining thereto as he may possess. The Farm Credit Administration shall forthwith cause to be made such investigation and appraisal of the securities tendered as it shall deem wise, and it shall grant in whole or in part, or reject entirely, such application. (July 17, 1916, ch. 245, § 18, 39 Stat. 375; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 843. Transmission of decisions to land bank and registrar; information to be furnished by registrar.—The Farm Credit Ad-

ministration shall promptly transmit its decision as to any issue of farm-loan bonds to the land bank applying for the same and to the farm-loan registrar of the district. Said registrar shall furnish, in writing, such information regarding any issue of farm-loan bonds as the Farm Credit Administration may at any time require. (July 17, 1916, ch. 245, § 18, 39 Stat. 375; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 844. **Written approval of issue requisite.**—No issue of farm-loan bonds shall be authorized unless the Farm Credit Administration shall approve such issue in writing. (July 17, 1916, ch. 245, § 18, 39 Stat. 375; Ex. Ord. No. 6084, Mar. 27, 1933.)

ISSUE OF FARM-LOAN BONDS

§ 851. **Duties of registrar on approval of bond issue.**—Whenever any farm-loan registrar shall receive from the Farm Credit Administration notice that it has approved any issue of farm-loan bonds under the provisions of sections 841-844 of this title, he shall forthwith take such steps as may be necessary, in accordance with the provisions of this chapter, to insure the prompt execution of said bonds and the delivery of the same to the land bank applying therefor. (July 17, 1916, ch. 245, § 19, 39 Stat. 376; Ex. Ord. No. 6084, Mar. 27, 1933.)

REFERENCES IN TEXT

In the original "this chapter" reads "this Act", meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

§ 852. **Rejection of application; return of collateral security.**—Whenever the Farm Credit Administration shall reject entirely any application for an issue of farm-loan bonds the first mortgages and bonds tendered to the farm-loan registrar as collateral security therefor shall be forthwith returned to said land bank by him. (July 17, 1916, ch. 245, § 19, 39 Stat. 376; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 853. **Disposition of collateral security on approval of application.**—Whenever the Farm Credit Administration shall approve an issue of farm-loan bonds, the farm-loan registrar having the custody of the first mortgages and bonds tendered as collateral security for such issue of bonds shall retain in his custody those first mortgages and bonds which are to be held as collateral security, and shall return to the bank owning the same any of said mortgages and bonds which are not to be held by him as collateral security. The land bank which is to issue said farm-loan bonds shall transfer to said registrar, by assignment, in trust, all first mortgages and bonds which are to be held by said registrar as collateral security, said assignment providing for the right of redemption at any time by payment as provided in this chapter and reserving the right of substitution of other mortgages qualified under sections 771, 801-808, and 811-824 of this title. Said mortgages and bonds shall be deposited in such deposit vault or bank as the Farm Credit Administration shall approve, subject to the control of said registrar and in his name as trustee for the bank issuing the farm-loan bonds and for the

prospective holders of said farm-loan bonds. (July 17, 1916, ch. 245, § 19, 39 Stat. 376; Ex. Ord. No. 6084, Mar. 27, 1933.)

REFERENCES IN TEXT

In the original "this chapter" reads "this Act", meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

§ 854. Mortgages eligible as collateral.—No mortgage shall be accepted by a farm loan registrar from a land bank as part of an offering to securing farm loan bonds, either originally or by substitution, except first mortgages made subject to the conditions prescribed in sections 671-683, 711-723, 771, 801-808, and 811-824 of this title: *Provided*, That such registrar, when authorized and directed to do so by the Farm Credit Administration, shall accept or retain in his custody as collateral, if otherwise eligible under the provisions of such sections, any first mortgage in connection with which the land bank depositing the same has agreed to defer for a period of not more than ten years the collection of the principal portion of maturing installments and to accept payment of the aggregate amount of such principal on an amortization plan by means of a fixed number of annual or semiannual installments sufficient to cover the interest payable thereon and in addition thereto such amounts to be applied on the principal after the expiration of the period of deferment as will extinguish the debt within an agreed period of not more than forty years from the date of such agreement. (July 17, 1916, ch. 245, § 19, 39 Stat. 376; Mar. 4, 1933, ch. 270, § 6 (a), 47 Stat. 1549; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 855. Registrar's duty respecting amount of collateral; United States bonds or cash in lieu of mortgages withdrawn.—It shall be the duty of each farm loan registrar to see that the farm loan bonds delivered by him and outstanding do not exceed the amount of collateral security pledged therefor. Such registrar may, in his discretion, temporarily accept, in place of mortgages withdrawn, United States Government bonds or cash. (July 17, 1916, ch. 245, § 19, 39 Stat. 376.)

§ 856. Additional security.—The Farm Credit Administration may, at any time, call upon any land bank for additional security to protect the bonds issued by it. (July 17, 1916, ch. 245, § 19, 39 Stat. 376; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 857. Purchase money mortgages as collateral in lieu of mortgages withdrawn.—Such farm loan registrar shall also accept purchase money mortgages as collateral security in place of mortgages withdrawn. The banks shall have power to execute all necessary conveyances, transfers, and assignments to carry out this provisions. (July 17, 1916, ch. 245, § 19, 39 Stat. 376; Mar. 4, 1933, ch. 270, § 6 (b), 47 Stat. 1549.)

FORM OF FARM LOAN BONDS

§ 861. Denominations; minimum and maximum periods; interest coupons; rates of interest.—Bonds provided for in this subchapter shall be issued in denominations of \$40, \$100, \$500, \$1,000, and such larger denominations as the Farm Credit Administration

may authorize; they shall run for specified minimum and maximum periods, subject to payment and retirement, at the option of the land bank, at any time after the minimum period specified in the bonds, which shall not be longer than ten years from the date of their issue. They shall have interest coupons attached, payable semiannually, and shall be issued in series of not less than \$50,000, the amount and terms to be fixed by the Farm Credit Administration. They shall bear a rate of interest not to exceed 5½ per centum per annum, but no bonds issued or sold after June 30, 1923, shall bear a rate of interest to exceed 5 per centum per annum. (July 17, 1916, ch. 245, § 20, 39 Stat. 377; Apr. 20, 1920, ch. 154, § 5, 41 Stat. 571; Mar. 4, 1921, ch. 151, 41 Stat. 1362; Aug. 13, 1921, ch. 63, 42 Stat. 159; Ex. Ord. No. 6084, Mar. 27, 1933.)

REFERENCES IN TEXT

In the original "this subchapter" reads "this Act", meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

§ 862. Rules and regulations as to payment.—The Farm Credit Administration shall prescribe rules and regulations concerning the circumstances and manner in which farm loan bonds shall be paid and retired under the provisions of this chapter. (July 17, 1916, ch. 245, § 20, 39 Stat. 377; Ex. Ord. No. 6084, Mar. 27, 1933.)

REFERENCES IN TEXT

In the original "this chapter" reads "this Act", meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

§ 863. Delivery to bank.—Farm loan bonds shall be delivered through the registrar of the district to the bank applying for the same. (July 17, 1916, ch. 245, § 20, 39 Stat. 377.)

§ 864. Preparation; custody of plates and dies; exchange for registered bonds; reexchange for coupons.—In order to furnish farm loan bonds for delivery at the Federal land banks and joint-stock land banks, the Secretary of the Treasury is hereby authorized to prepare suitable bonds in such form, subject to the provisions of this chapter, as the Farm Credit Administration may approve, such bonds when prepared to be held in the Treasury subject to delivery upon order of the Farm Credit Administration. The engraved plates, dies, bed-pieces, and so forth, executed in connection therewith shall remain in the custody of the Secretary of the Treasury. Any expenses incurred in the preparation, custody, and delivery of such farm loan bonds shall be paid by the Secretary of the Treasury from any funds in the Treasury not otherwise appropriated: *Provided, however,* That the Secretary shall be reimbursed for such expenditures by the Farm Credit Administration through assessment upon the farm land banks in proportion to the work executed. They may be exchanged into registered bonds of any amount, and reexchanged into coupon bonds, at the option of the holder, under rules and regulations to be prescribed by the Farm Credit Administration. (July 17, 1916, ch. 245, § 20, 39 Stat. 377; Ex. Ord. 6084, Mar. 27, 1933.)

REFERENCES IN TEXT

In the original "this chapter" reads "this Act", meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

SPECIAL PROVISIONS OF FARM LOAN BONDS

§ 871. Land banks as bound by acts of officers and Credit Administration in issue of bonds.—Each land bank shall be bound in all respects by the acts of its officers in signing and issuing farm loan bonds and by the acts of the Farm Credit Administration in authorizing their issue. (July 17, 1916, ch. 245, § 21, 39 Stat. 377; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 872. Liability of each Federal land bank for bonds issued by it and by other Federal land banks.—Every Federal land bank issuing farm loan bonds shall be primarily liable therefor, and shall also be liable, upon presentation of farm loan bond coupons, for interest payments due upon any farm loan bonds issued by other Federal land banks and remaining unpaid in consequence of the default of such other land banks; and every such bank shall likewise be liable for such portion of the principal of farm loan bonds so issued as shall not be paid after the assets of any such other land banks shall have been liquidated and distributed: *Provided*, That such losses, if any, either of interest or of principal, shall be assessed by the Farm Credit Administration against solvent land banks liable therefor in proportion to the amount of farm loan bonds which each may have outstanding at the time of such assessment. (July 17, 1916, ch. 245, § 21, 39 Stat. 377; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 873. Federal land banks; action of directors respecting bond liability.—Every Federal land bank shall by appropriate action of its board of directors, duly recorded in its minutes, obligate itself to become liable on farm loan bonds as provided in sections 871-886 of this title. (July 17, 1916, ch. 245, § 21, 39 Stat. 377.)

§ 874. Signing and attesting bonds; certificate of Land Bank Commissioner.—Every farm loan bond issued by a Federal land bank shall be signed by its president or vice president and attested by its secretary or assistant secretary. For the purpose of signing such bonds the board of directors of any Federal land bank is authorized to select a vice president who need not be a member of the board of directors; such bonds shall also contain in the face thereof a certificate signed by the Loan Bank Commissioner to the effect that it is issued under the authority of the Federal Farm Loan Act, has the approval in form and issue of the Farm Credit Administration, and is legal and regular in all respects; that it is not taxable by National, State, municipal, or local authority; that it is issued against collateral security of United States Government bonds, or first mortgages on farm lands, at least equal in amount to the bonds issued; and that all Federal land banks are liable for the payment of each bond. (July 17, 1916, ch. 245, § 21, 39 Stat. 377; Apr. 20, 1920, ch. 154, § 6, 41 Stat. 571; Ex. Ord. No. 6084, Mar. 27, 1933; June 16, 1933, ch. 98, §§ 75 (b), 80 (a), 48 Stat. 271, 273.)

REFERENCES IN TEXT

The Federal Farm Loan Act, to which reference is made in this section, is act July 17, 1916, ch. 245, 39 Stat. 360. For distribution of said act in this Code, see note under section 641 of this title.

§ 875. Consolidated bonds; authority of Federal land banks to issue and sell.—Whenever it shall appear desirable to issue consolidated bonds of the twelve Federal land banks and to sell them through a common selling agency, and the Federal land banks shall, by resolution, consent to the same, the banks may issue and sell said bonds as hereinafter provided. (July 17, 1916, ch. 245, § 21, 39 Stat. 377; Mar. 4, 1923, ch. 252, § 308, 42 Stat. 1476.)

§ 876. Same; signature and attestation; joint and several obligations; recitals.—Every bond so issued shall be signed by the Land Bank Commissioner and attested by any deputy land bank commissioner, and their signatures may be either written or engraved thereon and shall recite in the face of the bond the fact that it is the joint and several obligation of the twelve Federal land banks, and shall in all respects be governed by the provisions of the Federal Farm Loan Act not inconsistent herewith. July 17, 1916, ch. 245, § 21, 39 Stat. 377; Mar. 4, 1923, ch. 252, § 308, 42 Stat. 1476; June 16, 1933, ch. 98, §§ 80, (a), 81, 48 Stat. 273.)

REFERENCES IN TEXT

The Federal Farm Loan Act, to which reference is made in this section, is act July 17, 1916, ch. 245, 39 Stat. 360. For distribution of said act in this Code, see note under section 641 of this title.

§ 877. Same; where payable.—The consolidated bonds issued under sections 874-886 of this title shall be made payable at any Federal land bank, and may be made payable at any Federal reserve bank or banks designated in the face of the bond. (July 17, 1916, ch. 245, § 21, 39 Stat. 377; Mar. 4, 1923, ch. 252, § 308, 42 Stat. 1476.)

§ 878. Same; act of Commissioner binding on banks.—Each Federal land bank on whose behalf consolidated bonds shall be issued under sections 874-886 of this title shall in all respects be bound by the act of the Land Bank Commissioner and the (attesting) deputy land bank commissioner. (July 17, 1916, ch. 245, § 21, 39 Stat. 377; Mar. 4, 1923, ch. 252, § 308, 42 Stat. 1476; Mar. 4, 1925, ch. 524, § 6, 43 Stat. 1264; June 16, 1933, ch. 98, §§ 80 (a), 81, 48 Stat. 273.)

§ 879. Same; action of directors respecting bond liability.—Every Federal land bank, before participation in a consolidated issue, as herein provided, shall by appropriate action of its board of directors, duly recorded in its minutes, obligate itself to become liable on Federal farm loan bonds as provided in sections 871-886 of this title, and be bound by the action of the Land Bank Commissioner in executing the same. (July 17, 1916, ch. 245, § 21, 39 Stat. 377; Mar. 4, 1923, ch. 252, § 308, 42 Stat. 1476; June 16, 1933, ch. 98, §§ 80 (a), 81, 48 Stat. 273.)

§ 880. Certificate of Land Bank Commissioner.—Every farm loan bond issued hereunder shall contain on the face thereof a certificate signed by the Land Bank Commissioner to the effect

that it is issued under the authority of Title I of the Federal Farm Loan Act, has the approval in form and issue of the Farm Credit Administration, and is legal and regular in all respects; that it is not taxable by National, State, municipal, or local authority; that it is issued against collateral security consisting of obligations of the United States Government, or first mortgages on farm lands, at least equal in amount to the bonds issued; and that all Federal land banks are liable for the payment of each bond. (July 17, 1916, ch. 245, § 21, 39 Stat. 377; Mar. 4, 1923, ch. 252, § 308, 42 Stat. 1476; Ex. Ord. No 6084, Mar. 27, 1933; June 16, 1933, ch. 98, §§ 75 (b), 80 (a), 48 Stat. 271, 273.)

REFERENCES IN TEXT

The Federal Farm Loan Act, to which reference is made in this section, is act July 17, 1916, ch. 245, 39 Stat. 360. For distribution of said act in this code, see note under section 641 of this title.

§ 881. Farm loan bonds, special provisions of; consolidated bonds; participation of Federal land bank in issue; collateral—
(a) Approval of issue requisite; collateral to be held separate from collective security for individual bonds; payments on pledged mortgages as trust funds.—When any Federal land bank shall desire to participate in a consolidated issue on farm loan bonds it shall make application to the Farm Credit Administration for the approval on its behalf of such issue and tender to the registrar approved farm mortgages, or obligations of the United States Government, as security therefor, and no bank shall participate in such consolidated issue until such application has been approved by the Farm Credit Administration. Such approved farm mortgages or obligations of the United States Government shall be held by each farm loan registrar as collateral security for consolidated bonds, separate and apart from the mortgages and/or Government bonds held by him as collective security for the bonds previously issued or assumed individually by the Federal land bank of his district. Amortization and other payments on the principal of first mortgages held by a farm loan registrar as collateral security for the issue of consolidated farm loan bonds shall constitute a trust fund in the hands of the Federal land bank receiving the same and shall be applied or employed in the manner provided in sections 891-899 with respect to payments on principal of first mortgages held as collateral for farm loan bonds of individual banks.

(b) Notice to registrar of disposition of payments on mortgages held as collateral; maintenance of collateral by banks.—Every Federal land bank shall notify the farm loan registrar of the disposition of all payments made on the principal of mortgages held as collateral security for the issue of consolidated farm loan bonds, and said registrar is authorized, at his discretion to order any of such payment, or the proceeds thereof, wherever deposited or however invested, to be immediately transferred to his account as trustee aforesaid. Each bank shall maintain with the farm loan registrar of its district collateral security for the issue of consolidated farm loan bonds in an amount at least equal to the face amount of such bonds issued on its behalf.

(c) Withdrawal of collateral on surrender of bonds.—When any Federal land bank shall surrender to the farm loan registrar of its district any consolidated Federal farm loan bonds, canceled or uncanceled, said land bank shall be entitled to withdraw first mortgages and bonds previously pledged as collateral in connection with any issue of consolidated farm loan bonds to an amount equal to the consolidated farm loan bonds so surrendered and it shall be the duty of such registrar to permit and direct the delivery of such mortgages and bonds to such land bank.

(d) Additional collateral; payment of bonds and coupons.—The Farm Credit Administration may at any time call upon any Federal land bank for additional security to protect the consolidated bonds issued under the provisions of sections 874-886 of this title. Each bank shall pay when due, without notice, all bonds and coupons issued on its behalf hereunder.

(e) Power of Federal land bank to exchange consolidated bonds for individual bonds.—Every Federal land bank shall have power to exchange consolidated farm loan bonds for farm loan bonds previously issued or assumed by it individually, with the approval of and under rules and regulations promulgated by the Farm Credit Administration. (July 17, 1916, ch. 245, § 21, 39 Stat. 377; Mar. 4, 1923, ch. 252, § 308, 42 Stat. 1476; Mar. 4, 1933, ch. 270, § 7, 47 Stat. 1550; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 882. Consolidated bonds; failure of participating bank to pay interest or principal; liability of other banks.—If any Federal land bank shall fail to pay its proportion of interest or principal as prescribed in section 881 (d) of this title, the Farm Credit Administration shall immediately call upon the other Federal land banks for the amount necessary to make said payment, the assessments to be made in proportion to the capital stock of each, which assessments shall be forthwith paid by said banks. (July 17, 1916, ch. 245, § 21, 39 Stat. 377; Mar. 4, 1923, ch. 252, § 308, 42 Stat. 1476; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 883. Bond committee and subcommittee.—The presidents of the twelve Federal land banks shall constitute the bond committee of the Federal land banks and shall select a chairman from among their number. The vice president may act in place of the president on the president's request or in case he fails to act. The bond committee may appoint from among their number a subcommittee consisting of three members, to hold office for a period of one year or until their successors have been appointed, may from among their number fill any vacancies on the subcommittee and may dismiss at pleasure the members of the subcommittee or any of them. The subcommittee, if appointed, shall have such authority to exercise the powers and to perform the functions of the bond committee as the bond committee may authorize and shall be subject to all provisions of law relating to the duties and expenses of the bond committee. The committee shall select one of the members of the subcommittee to be chairman and one of the members of the subcommittee to be secretary of the subcommittee. (July 17, 1916, ch. 245, § 21, 39 Stat. 377; Mar. 4, 1923, ch. 252, § 308, 42 Stat. 1476; Aug. 19, 1937, ch. 704, § 18, 50 Stat. 709.)

SAVING CLAUSE

See note under section 640a of this title.

§ 884. Consolidated bonds; duties of bond committee.—When an issue of consolidated bonds is contemplated, the bond committee shall determine the amount of such issue, the rate of interest which it is to bear, and the participation of the several banks therein, and submit their recommendations to the Farm Credit Administration for approval. When approved by the Farm Credit Administration the bonds shall be executed by the Land Bank Commissioner and any Deputy Land Bank Commissioner, as provided in sections 871-886 of this title. (July 17, 1916, ch. 245, § 21, 39 Stat. 377; Mar. 4, 1923, ch. 252, § 308, 42 Stat. 1476; Ex. Ord. No. 6084, Mar 27, 1933; June 16, 1933, ch. 98, §§ 80 (a), 81, 48 Stat. 273.)

§ 885. Same; expenses.—The expenses of the bond committee and of the sale of bonds shall be charged against the several land banks in proportion to their participation in the proceeds. (July 17, 1916, ch. 245, § 21, 39 Stat. 377; Mar. 4, 1923, ch. 252, § 308, 42 Stat. 1476.)

§ 886. Compensation of members of bond committee.—The presidents of the Federal land banks shall receive no additional compensation for their services as members of the bond committee, but shall be paid necessary traveling expenses. (July 17, 1916, ch. 245, § 21, 39 Stat. 377; Mar. 4, 1923, ch. 252, § 308, 42 Stat. 1476.)

APPLICATION OF AMORTIZATION AND INTEREST PAYMENTS

§ 891. Payments upon mortgages pledged as collateral for bond issue; notice to registrar; cancellation of mortgage and discharge of lien upon full payment.—Whenever any Federal land bank, or joint-stock land bank, shall receive any interest, amortization, or other payments upon any first mortgage or bond pledged as collateral security for the issue of farm-loan bonds, it shall forthwith notify the farm-loan registrar of the items so received. Said registrar shall forthwith cause such payment to be duly credited upon the mortgage entitled to such credit. Whenever any such mortgage is paid in full, said registrar shall cause the same to be canceled and delivered to the proper land bank, which shall promptly satisfy and discharge the lien of record and transmit such canceled mortgage to the original maker thereof, or his heirs, administrators, executors, or assigns. (July 17, 1916, ch. 245, § 22, 39 Stat. 378.)

§ 892. Withdrawal of collateral and substitution of other security.—Upon written application by any Federal land bank, or joint-stock land bank, to the farm-loan registrar, it may be permitted, in the discretion of said registrar, to withdraw any mortgages or bonds pledged as collateral security under this chapter, and to substitute therefor other similar mortgages or United States Government bonds not less in amount than the mortgages or bonds desired to be withdrawn. (July 17, 1916, ch. 245, § 22, 39 Stat. 378.)

REFERENCES IN TEXT

In the original "this chapter" reads "this Act", meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

§ 893. Place and mode of payment of bonds or interest thereon; cancellation on payment.—Whenever any farm loan bonds, or coupons or interest payments of such bonds are due under their terms, they shall be payable at the land bank by which they were issued, in gold or lawful money, and upon payment shall be duly canceled by said bank. At the discretion of the Farm Credit Administration, payment of any farm-loan bond or coupon or interest payment may, however, be authorized to be made at any Federal land bank, any joint-stock bank, or any other bank, under rules and regulations to be prescribed by the Farm Credit Administration. (July 17, 1916, ch. 245, § 22, 39 Stat. 378; Ex. Ord. No. 6084, Mar. 27, 1933)

§ 894. Withdrawal of collateral security on surrender of bonds.—When any land bank shall surrender to the proper farm-loan registrar any farm-loan bonds of any series, canceled or uncanceled, said land bank shall be entitled to withdraw first mortgages and bonds pledged as collateral security for any of said series of farm-loan bonds to an amount equal to the farm-loan bonds so surrendered, and it shall be the duty of said registrar to permit and direct the delivery of such mortgages and bonds to such land bank. (July 17, 1916, ch. 245, § 22, 39 Stat. 378.)

§ 895. Interest payments on pledged mortgages.—Interest payments on hypothecated first mortgages shall be at the disposal of the land bank pledging the same, and shall be available for the payment of coupons and the interest of farm-loan bonds as they become due. (July 17, 1916, ch. 245, § 22, 39 Stat. 378.)

§ 896. Payment of bonds, coupons, and interest at maturity.—Whenever any bond matures, or the interest on any registered bond is due, or the coupon on any coupon bond matures, and the same shall be presented for payment as provided in this subchapter, the full face value thereof shall be paid to the holder. (July 17, 1916, ch. 245, § 22, 39 Stat. 378.)

REFERENCES IN TEXT

In the original "this chapter" reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

§ 897 Payment of bonds, coupons, and interest at maturity; trust fund from payments on mortgages held as collateral.—Amortization and other payments on the principal of first mortgages held by a farm-loan registrar as collateral security for the issue of farm-loan bonds shall constitute a trust fund in the hands of the Federal land bank or joint-stock land bank receiving the same, and shall be applied or employed as follows:

In the case of a Federal land bank—

(a) To pay off farm-loan bonds issued by or in behalf of said bank as they mature.

(b) To purchase at or below par Federal farm-loan bonds.

(c) To loan on first mortgages on farm lands within the farm credit district, qualified under this chapter as collateral security for an issue of farm-loan bonds.

(d) To purchase United States Government bonds.

(e) To purchase Federal Farm Mortgage Corporation bonds. In the case of a joint-stock land bank—

(a) To pay off farm-loan bonds issued by said bank as they mature.

(b) To purchase at or below par farm loan bonds.

(c) To loan on first mortgages qualified under sections 811-824 of this title.

(d) To purchase United States Government bonds.

(e) To purchase Federal Farm Mortgage Corporation bonds. (July 17, 1916, ch. 245, § 22, 39 Stat. 378; Mar. 4, 1923, ch. 252, § 309, 42 Stat. 1477; Jan. 31, 1934, ch. 7, § 8 (b), 48 Stat. 347; Aug. 19, 1937, ch. 704, §§ 5 (a), 15 (c), 50 Stat. 704, 708.)

SAVING CLAUSE

See note under section 640a of this title.

CROSS REFERENCE

Joint-stock land bank forbidden to issue tax-exempt bonds or make farm loans except such as are necessary and incidental to refinancing of existing loans or bond issues or to the sale of real estate, see section 810 of this title.

§ 898. Payment of bonds, coupons, and interest at maturity; deposit of trust funds with registrars as substituted collateral security.—The farm-loan bonds, first mortgages, United States Government bonds, or cash constituting the trust funds aforesaid, shall be forthwith deposited with the farm-loan registrar as substituted collateral security in place of the sums paid on the principal of indorsed mortgages held by him in trust. (July 17, 1916, ch. 245, § 22, 39 Stat. 378.)

§ 899. Payment of bonds, coupons, and interest at maturity; notice to registrar of disposition of principal payments on mortgages held as collateral; transfer to registrar on demand.—Every Federal land bank, or joint-stock land bank, shall notify the farm-loan registrar of the disposition of all payments made on the principal of mortgages held as collateral security for an issue of farm-loan bonds, and said registrar is authorized, at his discretion, to order any of such payments, or the proceeds thereof, wherever deposited or however invested, to be immediately transferred to his account as trustee aforesaid. (July 17, 1916, ch. 245, § 22, 39 Stat. 378.)

RESERVES AND DIVIDENDS OF LAND BANKS

§ 901. Amount carried to reserve account; making good impairment; debit to reserve account—(a) Federal land bank; amount carried to reserve; making good impairment.—Every Federal land bank shall semiannually carry to reserve account a sum not less than 50 per centum of its net earnings until said reserve account shall show a credit balance equal to the outstanding capital stock of said land bank. After said reserve is equal to the outstanding capital stock 10 per centum of the net earnings shall

be added thereto semi-annually. Whenever said reserve shall have been impaired it shall be fully restored before any dividends are paid.

(b) Joint-stock land banks; amount carried to reserve; making good impairment.—Every joint-stock land bank shall semiannually carry to reserve account 25 per centum of its net earnings until said reserve account shall show a credit balance equal to 20 per centum of the outstanding capital stock of said land bank. After said reserve has reached the sum of 20 per centum of the outstanding capital stock, 5 per centum of the net earnings shall be annually added thereto. Whenever said reserve shall have been impaired, said balance of 20 per centum shall be fully restored before any dividends are paid.

(c) Debit to reserve account.—For the period of two years from the date when any default occurs in the payment to any land bank of the interest, amortization installments, or principal on any first mortgage, by both mortgagor and indorser, the amount so defaulted shall be carried to a suspense account, and at the end of the two-year period specified, unless collected, shall be debited to reserve account. (July 17, 1916, ch. 245, § 23, 39 Stat. 379; Jan. 23, 1932, ch. 9, § 3 (a), 47 Stat. 13.)

§ 902. Dividends on balance of net earnings; investment of reserves—(a) Federal land-bank dividends.—After deducting the 50 per centum or the 10 per centum directed to be deducted for credit to reserve account by section 901 of this title, any Federal land bank may declare a dividend or dividends to shareholders of the whole or any part of the balance of its net earnings, but only with the approval of the Farm Credit Administration.

(b) Joint-stock land bank dividends.—After deducting the 25 per centum or the 5 per centum directed to be deducted for credit to reserve account by section 901 of this title, any joint-stock land bank may declare a dividend to shareholders of the whole or any part of the balance of its net earnings: *Provided*, That any dividend or dividends declared by any joint-stock land bank shall be subject to the approval of the Farm Credit Administration.

(c) Investment of reserves.—The reserves of land banks shall be invested in accordance with rules and regulations to be prescribed by the Farm Credit Administration. (July 17, 1916, ch. 245, § 23, 39 Stat. 379; Jan. 23, 1932, ch. 9, § 3 (a) (b), 47 Stat. 13; Ex. Ord. No. 6084, Mar. 27, 1933.)

RESERVES AND DIVIDENDS OF NATIONAL FARM-LOAN ASSOCIATIONS

§ 911. Amount carried to reserve account.—Every national farm-loan association shall, out of its net earnings, semiannually carry to reserve account a sum not less than 10 per centum of such net earnings until said reserve account shall show a credit balance equal to 25 per centum of the outstanding capital stock of said association. After said reserve has reached the sum of 25 per centum of the outstanding capital stock, 5 per centum of the net earnings shall be semiannually added thereto. (July 17, 1916, ch. 245, § 24, 39 Stat. 379; Jan. 23, 1932, ch. 9, § 4, 47 Stat. 13.)

§ 912. Making good impairment of reserve.—Whenever the reserve shall have been impaired it shall be fully restored before any

dividends are paid. (July 17, 1916, ch. 245, § 24, 39 Stat. 379; Jan. 23, 1932, ch. 9, § 4, 47 Stat. 13.)

§ 913. **Dividends on balance of net earnings.**—After deducting the 10 per centum or the 5 per centum hereinbefore directed to be credited to reserve account, said association may at its discretion declare a dividend to shareholders of the whole or any part of the balance of said net earnings: *Provided*, That the declaration and payment of any such dividend shall be subject to the approval of the Land Bank Commissioner. (July 17, 1916, ch. 245, § 24, 39 Stat. 379; Jan. 23, 1932, ch. 9, § 4, 47 Stat. 13; June 3, 1935, ch. 164, § 4, 49 Stat. 315.)

§ 914. **Investment of reserves.**—The reserves of farm loan associations shall be invested in accordance with rules and regulations to be prescribed by the Farm Credit Administration. (July 17, 1916, ch. 245, § 24, 39 Stat. 379; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 915. **Disposition of reserve on liquidation.**—Whenever any farm loan association shall be voluntarily liquidated a sum equal to its reserve account as herein required shall be paid to and become the property of the Federal land bank in which such loan association may be a shareholder. (July 17, 1916, ch. 245, § 24, 39 Stat. 379.)

DEFAULTED FARM LOANS

§ 921. **Mortgage held by Federal land bank; notice to indorsing association; making good default.**—If there shall be default under the terms of any indorsed first mortgage held by a Federal land bank under the provisions of this chapter the national farm loan association through which said mortgage was received by said Federal land bank shall be notified of said default. Said association may thereupon be required, within 30 days after such notice, to make good such default, either by payment of the amount unpaid thereon in cash or by the substitution of an equal amount of Federal farm loan bonds, with all unmatured coupons attached. (July 17, 1916, ch. 245, § 25, 39 Stat. 380; Mar. 4, 1923, ch. 252, § 310, 42 Stat. 1477.)

REFERENCES IN TEXT

In the original "this chapter" reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

EXEMPTION FROM TAXATION

§ 931. **Federal land banks; national farm loan associations; mortgages and bonds as instrumentalities of Government.**—Every Federal land bank and every national farm loan association, including the capital and reserve or surplus therein and the income derived therefrom, shall be exempt from Federal, State, municipal, and local taxation, except taxes upon real estate held, purchased, or taken by said bank or association under the provisions of sections 761 and 781 of this title. First mortgages executed to Federal land banks, or to joint stock land banks, and farm loan bonds issued under the provisions of this chapter, shall be deemed and held to be instrumentalities of the Government of

the United States, and as such they and the income derived therefrom shall be exempt from Federal, State, municipal, and local taxation. (July 17, 1916, ch. 245, § 26, 39 Stat. 380.)

REFERENCES IN TEXT

In the original "this chapter" reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

CROSS REFERENCES

United States obligations and evidences of ownership issued March 27, 1942, as subject to Federal taxation, see section 742a of Title 31, Money and Finance.

§ 932. Joint-stock land banks; State taxation of shareholder, limitations on.—Nothing in sections 931-933 of this title shall prevent the shares in any joint-stock land bank from being included in the valuation of the personal property of the owner or holder of such shares, in assessing taxes imposed by authority of the State within which the bank is located; but such assessment and taxation shall be in manner and subject to the conditions and limitations contained in section 548 of this title with reference to the shares of national banking associations. (July 17, 1916, ch. 245, § 26, 39 Stat. 380.)

§ 933. Federal and joint-stock land banks; real property not exempt.—Nothing in sections 931-933 of this title shall be construed to exempt the real property of Federal and joint-stock land banks and national farm loan associations from either State, county, or municipal taxes, to the same extent, according to its value, as other real property is taxed. (July 17, 1916, ch. 245, § 26, 39 Stat. 380.)

INVESTMENT IN FARM-LOAN BONDS

§ 941. Fiduciary and trust funds; security for public deposits.—Farm-loan bonds issued under the provisions of this chapter by Federal land banks or joint-stock land banks shall be a lawful investment for all fiduciary and trust funds, and may be accepted as security for all public deposits. (July 17, 1916, ch. 245, § 27, 39 Stat. 380.)

REFERENCES IN TEXT

In the original "this chapter" reads "this Act", meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

§ 942. Buying and selling by member banks of Federal Reserve System.—Any member bank of the Federal Reserve System may buy and sell farm-loan bonds issued under the authority of this chapter. (July 17, 1916, ch. 245, § 27, 39 Stat. 380.)

REFERENCES IN TEXT

In the original "this chapter" reads "this Act", meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

§ 943. Buying and selling by reserve banks.—Any Federal reserve bank may buy and sell farm-loan bonds issued under this

chapter to the same extent and subject to the same limitations placed upon the purchase and sale by said banks of State, county, district, and municipal bonds under section 355 of this title. (July 17, 1916, ch. 245, § 27, 39 Stat. 380.)

REFERENCES IN TEXT

In the original "this chapter" reads "this Act", meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

EXAMINATIONS

§ 951. Farm credit examiners; appointment; number.—The Farm Credit Administration shall appoint as many farm credit examiners as in its judgment may be required to make careful examinations of the banks and associations permitted to do business under this subchapter and subchapter III of this chapter. (July 17, 1916, ch. 245, § 28, 39 Stat. 381; Ex. Ord. No. 6084, Mar. 27, 1933; Aug. 19, 1937, ch. 704, § 20, 50 Stat. 710.)

REFERENCES IN TEXT

In the original "this subchapter and subchapter III of this chapter" reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, ch. 245, 39 Stat. 360). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

EXAMINATIONS

§ 952. Requirements, responsibilities, and penalties applicable to examiners; examinations; reports.—Farm credit examiners shall be subject to the same requirements, responsibilities, and penalties as are applicable to national-bank examiners under chapters 2 and 3 of this title and other provisions of law. Whenever directed by the Farm Credit Administration, said examiners shall examine the condition of any national farm loan association and report the same to the Land Bank Commissioner. They shall examine and report the condition of every Federal land bank and joint stock land bank at least once each year. (July 17, 1916, ch. 245, § 28, 39 Stat. 381; Ex. Ord. No. 6084, Mar. 27, 1933; June 16, 1933, ch. 98, § 80 (a), 48 Stat. 271; Aug. 19, 1937, ch. 704, § 20, 50 Stat. 710; July 12, 1943, ch. 215, § 1, 57 Stat. 424.)

AMENDMENTS

Act July 12, 1943, cited to text, amended section by changing the examination requirement from "at least twice each year" to "at least once each year" thereafter.

§ 953. Salaries of examiners.—Farm credit examiners shall receive salaries to be fixed by the Farm Credit Administration. (July 17, 1916, ch. 245, § 28, 39 Stat. 381; Ex. Ord. No. 6084, Mar. 27, 1933; Aug. 19, 1937, ch. 704, § 20, 50 Stat. 710.)

RECEIVERS AND CONSERVATORS

§ 961. National farm loan associations; institution and conduct of receivership; duties and powers of receivers.—Upon receiving satisfactory evidence that any national farm loan association has failed to meet its outstanding obligations of any description the Farm Credit Administration may forthwith declare such associa-

tion insolvent and appoint a receiver and require of him such bond and security as it deems proper: *Provided*, That no national farm loan association shall be declared insolvent by said administration until the total amount of defaults of current interest and amortization installments on loans indorsed by national farm loan associations shall amount to at least \$150,000 in the farm credit district, unless such association shall have been in default for a period of two years. Such receiver, under the direction of the Farm Credit Administration, shall take possession of the books, records, and assets of every description of such association, collect all debts, dues, and claims belonging to it, and, with the approval of the Farm Credit Administration, or upon the order of a court of record of competent jurisdiction, may sell or compound all bad or doubtful debts, and, on a like approval or order, may sell all the real and personal property of such association, on such term as the Farm Credit Administration or said court shall direct. (July 17, 1916, ch. 245, § 29, 39 Stat. 381; Ex. Ord. No. 6084, Mar. 27, 1933; Aug. 19, 1937, ch. 704, § 5 (a), 50 Stat. 704.)

§ 962. Disposition of moneys collected by receiver; reports.—Such receiver shall pay over all money so collected to the Treasurer of the United States, subject to the order of the Farm Credit Administration, and also make report to said administration of all his acts and proceedings. The Secretary of the Treasury shall have authority to deposit at interest any money so received. (July 17, 1916, ch. 245, § 29, 39 Stat. 381; Ex. Ord. No. 6084, Mar. 27, 1933.)

TRANSFER OF FUNCTIONS

Farm Credit Administration was transferred to the Department of Agriculture. See note preceding section 636 of this title.

§ 963. Federal and joint-stock land banks; institution and conduct of receivership.—Upon default of any obligation, Federal land banks and joint stock land banks may be declared insolvent and placed in the hands of a receiver by the Farm Credit Administration, and proceedings shall thereupon be had in accordance with the provisions of sections 961-967 of this title regarding national farm loan associations. (July 17, 1916, ch. 245, § 29, 39 Stat. 381; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 963a. Authorization to receiver to borrow money for paying taxes on real estate.—Any receiver appointed by the Farm Credit Administration pursuant to sections 961-967 of this title, as amended, or any receiver appointed by a district court of the United States, is authorized, for the purpose of paying taxes on farm real estate owned by the bank or securing the mortgages held by it, with the approval of the Land Bank Commissioner, to borrow from the Reconstruction Finance Corporation and to issue receiver's certificates against the assets of such bank as security for any loan received from the Corporation under this section, and such certificates shall constitute a prior lien on such assets. The Reconstruction Finance Corporation is authorized to make loans to such receivers for the purposes of this section. (Ex. Ord. No. 6084, Mar. 27, 1933; May 12, 1933, ch. 25, § 27, 48 Stat. 45; June 16, 1933, ch. 98, § 80 (a), 48 Stat. 273.)

§ 964. National farm loan associations; disposition of stock in Federal land bank.—If any national farm loan association shall be declared insolvent and a receiver shall be appointed therefor by the Farm Credit Administration, the stock held by it in the Federal land bank of its district shall be canceled without impairment of its liability and all payments on such stock, with accrued dividends, if any, since the date of the last dividend shall be first applied to all debts of the insolvent farm loan association to the Federal land bank and the balance, if any, shall be paid to the receiver of said farm loan association: *Provided*, That in estimating said debts contingent liabilities incurred by national farm loan associations under the provisions of this chapter on account of default of principal or interest of indorsed mortgages shall be estimated and included as a debt, and said contingent liabilities shall be determined by agreement between the receiver and the Federal land bank of the district, subject to the approval of the Farm Credit Administration, and if said receiver and said land bank cannot agree, then by the decision of the Land Bank Commissioner, and the amount thus ascertained shall be deducted in accordance with the provisions of sections 961-967 of this title from the amount otherwise due said national farm loan association for said canceled stock. Whenever the capital stock of a Federal land bank shall be reduced, the board of directors shall cause to be executed a certificate to the Farm Credit Administration, showing such reduction of capital stock, and, if said reduction of capital stock, and, if said reduction shall be due to the insolvency of a national farm loan association, the amount repaid to such association. (July 17, 1916, ch. 245, § 29, 39 Stat. 381; Ex. Ord. No. 6084, Mar. 27, 1933; June 16, 1933, ch. 98, § 80 (a), 48 Stat. 273.)

§ 965. Voluntary liquidation; consolidation of farm loan associations.—No national farm loan association, Federal land bank or joint stock land bank shall go into voluntary liquidation without the written consent of the Farm Credit Administration, but national farm loan associations may consolidate under rules and regulations promulgated by the Farm Credit Administration. (July 17, 1916, ch. 245, § 29, 39 Stat. 381; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 966. National farm loan associations; disposition of stock in Federal land bank upon voluntary liquidation; personal liability of members.—Upon liquidation of any national farm loan association, the stock in the Federal land bank held by such association shall be canceled and the Federal land bank shall thereupon issue to the borrowers through such association an amount of stock in the Federal land bank equal to the amount of stock held by such borrowers in the liquidated association, such stock to be held by the bank as collateral to the loans of such borrowers and to be paid off and retired at par in the same manner as stock held by borrowers in farm loan associations, and the Federal land bank shall pay to the borrowers holding such stock the same dividends as are paid to national farm loan associations by such bank. The personal liability of the stockholders in such liquidated association to the association shall survive such liquidation and shall be

vested in the bank in that district, which may enforce the same as fully as the association could if in existence. (July 17, 1916, ch. 245, § 29, 39 Stat. 381; Mar. 4, 1923, ch. 252, § 311, 42 Stat. 1478.)

§ 967. Conservator in lieu of receiver—(a) Appointment; compensation; expenses.—Upon receiving satisfactory evidence that any national farm loan association has failed to meet its outstanding obligations of any description, and that it will be to the best interests of its creditors and stockholders for the association to continue in business, the Farm Credit Administration may, in its discretion, in lieu of appointing a receiver as provided in sections 961-966 of this title, appoint a conservator for such association and require of him such bond and security as the Administration may deem proper. The person so appointed shall be a land bank appraiser appointed under the authority of sections 651-664 of this title: *Provided, however,* That the Farm Credit Administration may, in its discretion, appoint some other qualified person. Any land bank appraiser appointed as a conservator shall serve without any additional compensation. Any other person appointed as a conservator shall receive such compensation as the Farm Credit Administration may authorize. Such compensation and all necessary and proper expenses of any such conservatorship shall be paid out of the assets of such association and shall be a lien thereon which shall be prior to any other lien.

(b) Conservation of assets; preparation of report of association's financial condition.—The conservator, under the direction of the Farm Credit Administration, may, when directed so to do, take possession of the books, records, and assets of every description of such association, and take such action as may be necessary to conserve such assets pending final determination of the financial condition of the association and the conditions under which it may be permitted to continue in business. Such conservator shall at the earliest practicable date make such investigations as shall be necessary to enable him to prepare an accurate report on the financial condition of such association. In preparing such report he shall value the association's assets and determine its indebtedness. *Provided,* That in determining said indebtedness contingent liabilities incurred by the association under the provisions of this chapter on endorsed mortgages shall be estimated and included as a debt. On the basis of said evaluation of the association's assets and indebtedness, the conservator shall determine the fair book value of the outstanding stock of said association and the claims of any retired shareholders based on their previous stock ownership. Upon its completion said report shall be submitted to the Federal land bank of the district and said bank shall thereupon indicate its approval thereof or note any exceptions thereto and submit such report together with its exceptions, if any, to the Farm Credit Administration for consideration.

(c) Approval or disapproval of report; powers of Administration.—If said report is approved, in whole or in part, by the Farm Credit Administration, upon recommendation of the Federal land bank of the district said Administration shall then decide whether

such association shall be permitted to pay off and retire its capital stock at its fair book value, upon full payment of the mortgage loans in connection with which such stock was issued originally, and to settle on the same basis the claims of any of its stockholders who have previously paid their loans in full, but have not received credit for, or the proceeds of their stock in such association. At the same time the Farm Credit Administration shall also decide whether it will permit said association to admit new members pursuant to section 724 of this title. If the decision of said Administration is in the affirmative, it may terminate the conservatorship and turn the affairs of the association back to its board of directors. If said report is not approved or the decision of said Administration is in the negative, it may, in its discretion, terminate the conservatorship and permit such association to resume the transaction of its business subject to such terms, conditions, restrictions, and limitations as it may prescribe for the protection of the rights of creditors and stockholders, or said Administration may appoint a receiver for the association as provided in sections 961-966 of this title.

(d) Settlement with shareholders.—Any settlement made with a retiring or retired shareholder on the basis of the fair book value of the stock of the association pursuant to this section shall be made only on condition that said shareholder agrees to accept such settlement as payment in full. If any shareholder or former shareholder does not desire to settle on such basis, he may, in lieu thereof, be given a participation certificate which will entitle him to share pro rata, on the basis of the number of shares of stock which he owned in the association, in the distribution of any assets of the association which is made after all of its indebtedness to creditors has been satisfied. The Federal land bank of the district may pay to the association from the proceeds of bank stock retired in connection with the payment in full of loans endorsed by such association an amount sufficient to permit the association to make the settlements provided for in this section and any balance of such proceeds shall be retained by the bank and applied as a credit on the indebtedness of the association to it.

(e) Readjustment of fair book value of under par stock.—After any determination by the Farm Credit Administration as provided in this section, that the fair book value of the stock of a national farm loan association is less than the par book value of said stock resulting from earnings of the association and actual recoveries in excess of the valuations used by the Farm Credit Administration in determining the fair book value of the stock of such association, as provided in this section, shall, under rules and regulations of the Farm Credit Administration, be apportioned ratably on a per-share basis to all outstanding stock or participation certificates having a fair book value less than par until the fair book value of all such stock or participation certificates is equal to the par value thereof.

(f) Continued losses; appointment of another conservator or receiver.—In the event that the indebtedness, as determined by the conservator, of an association which has been under conservatorship pursuant to this section increases in excess of the earnings

of such association, the Farm Credit Administration may, in its discretion, again appoint a conservator for the association, or it may appoint a receiver as provided in sections 961-966 of this title. (July 17, 1916, ch. 245, § 29, as amended Aug. 19, 1937, ch. 704, § 25 (d), 50 Stat. 713.)

REFERENCES IN TEXT

In the original "this chapter" reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

SAVING CLAUSE

See note under section 640a of this title.

STATE LEGISLATION IMPAIRING SECURITY OF FARM LOANS

§ 971. Examination to ascertain adequacy of safeguards to mortgagee.—It shall be the duty of the Land Bank Commissioner to make examination of the laws of every State of the United States and to inform the Farm Credit Administration as rapidly as may be whether in his judgment the laws of each State relating to the conveying and recording of land titles, and the foreclosure of mortgages or other instruments securing loans, as well as providing homestead and other exemptions and granting the power to waive such exemptions as respects first mortgages, are such as to assure the holder thereof adequate safeguards against loss in the event of default on loans secured by any such mortgages. (July 17, 1916, ch. 245, § 30, 39 Stat. 382; Ex. Ord. No. 6084, Mar. 27, 1933; June 16, 1933, ch. 98, § 80 (a), 48 Stat. 273.)

§ 972. Effect of insufficient protection on mortgages covering land in State; assistance in examining laws.—Pending the making of such examination in the case of any State, the Farm Credit Administration may declare first mortgages on farm lands situated within such State ineligible as the basis for an issue of farm loan bonds; and if said examination shall show that the laws of any such State afford insufficient protection to the holder of first mortgages of the kinds provided in this subchapter, said Farm Credit Administration may declare said first mortgages on land situated in such State ineligible during the continuance of the laws in question. In making his examination of the laws of the several States and forming his conclusions thereon said Land Bank Commissioner may call upon the office of the Attorney General of the United States for any needed legal advice or assistance, or may employ special counsel in any State where he considers such action necessary. (July 17, 1916, ch. 245, § 30, 39 Stat. 382; Ex. Ord. No. 6084, Mar. 27, 1933; June 16, 1933, ch. 98, § 80 (a), 48 Stat. 273.)

REFERENCES IN TEXT

In the original "this subchapter" reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

§ 973. Statement to State Executive.—At the request of the Executive of any State the Farm Credit Administration shall prepare a statement setting forth in what respects the requirements

of said administration can not be complied with under the existing laws of such State. (July 17, 1916, ch. 245, § 30, 39 Stat. 382; Ex. Ord. No. 6084, Mar. 27, 1933.)

PENALTIES

§ 981. False statements in applications for loans; willful overvaluation of land; acceptance of loan or gratuity by examiners.—Any applicant for a loan under this subchapter, or officer or representative of any such applicant, who shall knowingly make any false statement in the application for such loan, and any member of a loan committee or any appraiser provided for in this subchapter who shall willfully overvalue any land offered as security for loans under this subchapter, shall be punished by a fine of not exceeding \$5,000, or by imprisonment not exceeding one year, or both. Any examiner appointed under this subchapter who shall accept a loan or gratuity from any land bank or national farm loan association examined by him, or from any person connected with any such bank or association in any capacity, shall be punished by a fine of not exceeding \$5,000, or by imprisonment not exceeding one year, or both, and may be fined a further sum equal to the money so loaned or gratuity given, and shall forever thereafter be disqualified from holding office as an examiner under the provisions of this subchapter. No examiner, while holding such office, shall perform any other service for compensation for any bank or banking or loan association, or for any person connected therewith in any capacity. (July 17, 1916, ch. 245, § 31, 39 Stat. 382; June 3, 1935, ch. 164, § 21, 49 Stat. 319.)

REFERENCES IN TEXT

In the original "this subchapter" reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

§ 982. Falsely making, forging, or counterfeiting bonds or coupons; passing false bonds or coupons; falsely altering.—Any person who shall falsely make, forge, or counterfeit, or cause or procure to be falsely made, forged, or counterfeited, or willingly aid or assist in falsely making, forging, or counterfeiting any bond, coupon, or paper in imitation of, or purporting to be in imitation of, the bonds or coupons issued by any land bank or national farm loan association, now or hereafter authorized and acting under the laws of the United States; or any person who shall pass, utter, or publish, or attempt to pass, utter, or publish any false, forged, or counterfeited bond, coupon, or paper purporting to be issued by any such bank or association, knowing the same to be falsely made, forged, or counterfeited; or whoever shall falsely alter, or cause or procure to be falsely altered, or shall willingly aid or assist in falsely altering any such bond, coupon, or paper, or shall pass, utter, or publish as true any falsely altered or spurious bond, coupon, or paper issued, or purporting to have been issued, by any such bank or association, knowing the same to be falsely altered or spurious, shall be punished by a fine of not exceeding \$5,000 or by imprisonment not exceeding five years, or both. (July 17, 1916, ch. 245, § 31, 39 Stat. 382.)

§ 983. Charging or receiving unauthorized fee or commission; disclosing names of borrowers.—Other than the usual salary or director's fee paid to any officer, director, or employee of a national farm loan association, a Federal land bank, or a joint-stock land bank, and other than a reasonable fee paid by such association or bank to any officer, director, attorney, or employee for services rendered, no officer, director, attorney, or employee of an association or bank organized under this chapter shall be a beneficiary of or receive, directly or indirectly, any fee, commission, gift, or other consideration for or in connection with any transaction or business of such association or bank. No land bank or national farm loan association organized under this subchapter shall charge or receive any fee, commission, bonus, gift, or other consideration not herein specifically authorized. No examiner, public or private, shall disclose the names of borrowers to other than the proper officers of a national farm loan association or land bank without first having obtained express permission in writing from the Land Bank Commissioner or from the board of directors of such association or bank, except when ordered to do so by a court of competent jurisdiction or by direction of the Congress of the United States, or of either House thereof, or any committee of Congress or of either House duly authorized. Any person violating any provision of this paragraph shall be punished by a fine of not exceeding \$5,000 or by imprisonment not exceeding one year, or both. (July 17, 1916, ch. 245, § 31, 39 Stat. 382; June 16, 1933, ch. 98, § 80 (a), 48 Stat. 273.)

REFERENCES IN TEXT

In the original "this subchapter" reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

§ 984. Fraud and embezzlement.—Any person connected in any capacity with any national farm loan association, Federal land bank, or joint-stock land bank, who embezzles, abstracts, or willfully misapplies any moneys, funds, or credits thereof, or who without authority from the directors draws any order, assigns any note, bond, draft, mortgage, judgment, or decree thereof, or who makes any false entry in any book, report, or statement of such association or land bank with intent in either case to defraud such institution or any other company, body politic or corporate, or any individual person, or to deceive any officer or a national farm loan association or land bank or any agent appointed to examine into the affairs of any such association or bank, and every person who with like intent aids or abets any officer, clerk, or agent in any violation of sections 981-987 of this title, shall be punished by a fine of not exceeding \$5,000 or by imprisonment not exceeding five years, or both. (July 17, 1916, ch. 245, § 31, 39 Stat. 382.)

§ 985. False pretenses as to character of bonds or coupons.—Any person who shall deceive, defraud, or impose upon, or who shall attempt to deceive, defraud, or impose upon, any person, firm, or corporation by making any false pretense or representation regarding the character, issue, security, or terms of any

farm-loan bond, or coupon, issued under the terms of this subchapter; or by falsely pretending or representing that any farm-loan bond, or coupon, issued under the terms of this subchapter by one class of land banks is a farm-loan bond, or coupon, issued by another class of banks; or by falsely pretending or representing that any farm-loan bond, or coupon, issued under the terms of this subchapter, or anything contained in said farm-loan bond, or coupon, is anything other than, or different from, what it purports to be on the face of said bond or coupon, shall be fined not exceeding \$500 or imprisoned not exceeding one year, or both. (July 17, 1916, ch. 245, § 31, 39 Stat. 382.)

REFERENCES IN TEXT

In the original "this subchapter" reads "this Act", meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

§ 986. Detection and arrest of violators.—The Secretary of the Treasury is hereby authorized to direct and use the Secret Service Division of the Treasury Department to detect, arrest, and deliver into custody of the United States marshal having jurisdiction, any person or persons violating any of the provisions of sections 981-987 of this title. (July 17, 1916, ch. 245, § 31, 39 Stat. 382.)

§ 987. False statements by mortgagee relating to sale of mortgage to Federal land bank; overvaluation of land securing such mortgage.—Any mortgagee who shall knowingly make any false statement in any paper, proposal, or letter, relating to the sale of any mortgage, to any Federal land bank under the provisions of section 781 of this title, as amended, or any appraiser provided for in this subchapter who shall willfully overvalue any land securing such mortgage, shall be punished by a fine of not exceeding \$5,000 or by imprisonment not exceeding one year, or both. (July 17, 1916, ch. 245, § 31, 39 Stat. 382; June 16, 1933, ch. 98, § 78. 48 Stat. 272.)

REFERENCES IN TEXT

In the original "this subchapter" reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

GOVERNMENT DEPOSITS IN LAND BANKS

§ 991. Interest rate; security; maximum amount.—The Secretary of the Treasury is authorized, in his discretion, upon the request of the Farm Credit Administration, to make deposits for the temporary use of any Federal land bank, out of any money in the Treasury not otherwise appropriated. Such Federal land bank shall issue to the Secretary of the Treasury a certificate of indebtedness for any such deposit, bearing a rate of interest not to exceed the current rate charged for other Government deposits, to be secured by farm-loan bonds or other collateral, to the satisfaction of the Secretary of the Treasury. Any such certificate shall be redeemed and paid by such land bank at the discretion of the Secretary of the Treasury. The aggregate of all sums so deposited by the Secretary of the Treasury shall not exceed the sum of \$6,000,000 at any one time. (July 17, 1916, ch. 245, § 32, 39 Stat. 384; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 992. Government guaranty of interest on qualified Federal land bank bonds issued during limited period; use of proceeds of such bonds; limitation on aggregate amount of such bonds; payment of interest by Government upon inability of issuing bank: rights of Government after such payment.—Until such time as the Land Bank Commissioner determines that Federal farm loan bonds (other than those issued under this paragraph) are readily salable in the open market at a yield not in excess of 4 per centum per annum, but in no case more than two years after May 12, 1933, Federal land banks may issue farm loan bonds as authorized under this subchapter, for the purpose of making new loans, or for purchasing mortgages or exchanging bonds for mortgages as provided in paragraph "Second" of section 781 of this title. The aggregate amount of the bonds issued under this paragraph shall not exceed \$2,000,000,000, and such bonds shall be issued in such denominations as the Land Bank Commissioner shall prescribe, shall bear interest at a rate not in excess of 4 per centum per annum, and shall be fully and unconditionally guaranteed as to interest by the United States, and such guaranty shall be expressed on the face thereof. In the event that it shall appear to the Land Bank Commissioner that the issuing bank or banks will be unable to pay upon demand, when due, the interest on any such bonds, the Secretary of the Treasury shall, upon the request of the Commissioner, pay the amount thereof, which is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated. Upon the payment of such interest by the Secretary of the Treasury the amount so paid shall become an obligation to the United States of the issuing bank or banks and shall bear interest at the same rate as that borne by the bonds upon which the interest has been so paid. After the expiration of one year from May 12, 1933, if in the opinion of the Land Bank Commissioner any part of the proceeds of the bonds authorized to be issued under this paragraph is not required for the purpose of making new loans or for purchasing mortgages or exchanging bonds for mortgages as herein provided, such bonds may be issued within the maximum limit herein specified for the purpose of refinancing any outstanding issues of Federal farm loan bonds; but no such bonds shall be issued after two years from May 12, 1933, for the purpose of such refinancing. (July 17, 1916, ch. 245, § 32, 39 Stat. 384; May 12, 1933, ch. 25, § 21, 48 Stat. 41; June 16, 1933, ch. 98, § 80 (a), 48 Stat. 273.)

CROSS REFERENCE

Federal Land Bank forbidden to issue bonds under this section except for purpose of refinancing bonds already issued, see section 992a of this title.

§ 992a. Limitation of section 992.—After ninety days after January 31, 1934, no Federal land bank shall issue any bonds under the provisions of section 992 of this title, subject to the guarantee of interest on such bonds by the United States except for the purpose of refinancing any bond which is or has been issued subject to such guarantee of interest. (Jan. 31, 1934, ch. 7, § 5, 48 Stat. 346.)

§ 993. Bonds issued under section 992; delivery in payment of certain mortgages.—Any borrower who obtains a loan from a Federal land bank after May 12, 1933, may, at any time after the expiration of five years from the date such loan was made, tender to such bank on any regular installment date, bonds issued under section 992 of this title in an amount not to exceed the unpaid principal of his loan, and the bonds so tendered shall be accepted by the bank at par in payment of any part of such unpaid principal. (July 17, 1916, ch. 245, § 32, 39 Stat. 384; May 12, 1933, ch. 25, § 21, 48 Stat. 41.)

ORGANIZATION EXPENSES

§ 1001. Appropriation for expenses.

Section, act July 17, 1916, ch. 245, § 33, 39 Stat. 384; Ex. Ord. No. 6084, Mar. 27, 1933, appropriated \$100,000 for carrying this chapter into effect. For distribution of this chapter which was the Federal Farm Loan Act, see note under section 641 of this title.

LIMITATION OF COURT DECISIONS

§ 1011. Limitation of court decisions respecting validity of provisions.—If any clause, sentence, paragraph, or part of this subchapter or of subchapter III hereof shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of said subchapters, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered. (July 17, 1916, ch. 245, § 34, 39 Stat. 384.)

REFERENCES IN TEXT

In the original "this subchapter and subchapter III of this chapter" reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

AMENDMENTS TO CHAPTER

§ 1012. Reservation of right to amend.—The right to amend, alter, or repeal this subchapter or subchapter III of this chapter is hereby expressly reserved. (July 17, 1916, ch. 245, § 35, 39 Stat. 384.)

REFERENCES IN TEXT

In the original "this subchapter" reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

LOANS TO FARMERS BY LAND BANK COMMISSIONER

§ 1016. Loans to farmers by Land Bank Commissioner; provisions governing—(a) Funds available to Commissioner; security for Commissioner's loans.—The Reconstruction Finance Corporation is authorized and directed to allocate and make available to the Land Bank Commissioner the sum of \$200,000,000, or so much thereof as may be necessary, to be used for the purpose of making loans as hereinafter provided to any farmer, secured by a first or

second mortgage upon the whole or any part of the farm property, real or personal, including crops, of the farmer.

(b) Maximum loan; value of security for loan; valuation of farm property.—The amount of the mortgage given by any farmer, together with all prior mortgages or other evidences of indebtedness secured by such farm property of the farmer, shall not exceed 75 per centum of the normal value thereof, as determined upon an appraisal made pursuant to the preceding subchapter, as amended; nor shall a loan in excess of \$7,500, be made to any one farmer. For the purposes of this section, farm property may be valued at an amount representing a prudent investment, consistent with community standards and rentals, if (1) the person occupying the property is not entirely dependent upon farm income for his livelihood but receives a part of his income from other dependable sources, and (2) the farm income from the property, together with earnings from other dependable sources ordinarily available in the community to a person operating such property, would be sufficient to support his family, to pay operating expenses and fixed charges, and to discharge the interest and amortization payments on the loan.

(c) Provisions to be included in mortgage; interest rate; repayment of principal in installments; maximum terms of loans as affected by character of security; privilege of deferring principal payments during first 3 years of loan.—Every mortgage made under this section shall contain an agreement providing for the repayment of the loan on an amortization plan by means of a fixed number of annual or semiannual installments, sufficient to cover (1) interest on unpaid principal at a rate not to exceed 5 per centum per annum and (2) such payments equal in amount to be applied on principal as will extinguish the debt within an agreed period of not more than ten years or, in the case of a first or second mortgage secured wholly by real property within an agreed period no greater than that for which loans may be made under the preceding subchapter, from the date the first payment on principal is due: *Provided*, That when in the judgment of the Land Bank Commissioner conditions justify it, any mortgage made under this section may provide that during the first three years the loan is in effect payments of interest only may be required if the borrower shall not be in default with respect to any other condition or covenant of his mortgage.

(d) Requirement of waiver by prior lien holder.—No loan shall be made under this section unless the holder of any prior mortgage or instrument of indebtedness secured by such farm property arranges to the satisfaction of the Land Bank Commissioner to limit his right to proceed against the farmer and such farm property for default in payment of principal.

(e) Purposes of loans.—Loans may be made under this section for any of the purposes for which Federal land banks are authorized by law to make loans, and for the following additional purpose, and none other: Refinancing, in connection with proceedings, under chapter 8 of Title 11, as amended, any indebtedness, secured or unsecured, of the farmer, or which is secured by a lien on all or any part of the farm property accepted as

security for the loan. The provisions of paragraph "Ninth" of section 781 of this title (relating to charges to applicants for loans and borrowers from the Federal land banks), shall, so far as practicable, apply to loans made under this section.

(f) Definitions; loans to corporations; exceptions.—As used in this section, (1) the term "farmer" means any person who is at the time, or shortly to become, bona fide engaged in farming operations, either personally or through an agent or tenant, or the principal part of whose income is derived from farming operations or livestock raising, and includes a personal representative of a deceased farmer; (2) the term "person" includes an individual or a corporation engaged in the raising of livestock; and (3) the term "corporation" includes any incorporated association; but no such loan shall be made to a corporation (A) unless all the stock of the corporation is owned by individuals themselves personally actually engaged in the raising of livestock on the land to be mortgaged as security for the loan, except in a case where the Land Bank Commissioner permits the loan if at least 75 per centum in value and number of shares of the stock of the corporation is owned by the individuals personally actually so engaged, and (B) unless the owners of at least 75 per centum in value and number of shares of the stock of the corporation assume personal liability for the loan. No loan shall be made to any corporation which is a subsidiary of, or affiliated (either directly or through substantial identity of stock ownership) with, a corporation ineligible to procure a loan in the amount applied for.

(g) Loans by Commissioner on behalf of Federal Farm Mortgage Corporation; loans in cash or bonds; amount available.—Until July 1, 1945, the Land Bank Commissioner shall, in his name, make loans under this section on behalf of the Federal Farm Mortgage Corporation, and may make such loans in cash or in bonds of the corporation, or if acceptable to the borrower, in consolidated farm loan bonds; but no such loans shall be made by him after July 1, 1945, except for the purpose of refinancing loans previously made by him under this section. As much as may be necessary of the assets of the corporation, including the bonds (and proceeds thereof) issued under section 1020c of this title, may be used for the purposes of this section.

(h) Execution of instruments by Federal land banks; presumption of authority.—Any Federal land bank, when duly authorized by the Land Bank Commissioner and the Federal Farm Mortgage Corporation, shall have the power to execute any instrument relating to any mortgage taken to secure a loan made or to be made under this section, or relating to any property included in any such mortgage, or relating to any property acquired by the Land Bank Commissioner and/or the Federal Farm Mortgage Corporation. Any such instrument heretofore or hereafter executed on behalf of the Land Bank Commissioner and/or the Federal Farm Mortgage Corporation by a Federal land bank, through its duly authorized officers, shall be conclusively presumed to have been duly authorized by the Land Bank Commissioner and the Federal Farm Mortgage Corporation.

(i) **Rate of interest payable on certain installment dates.**—Notwithstanding the foregoing provisions of this section, the rate of interest on loans made under this section shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on or after July 22, 1937, and prior to July 1, 1940, and shall not exceed 3½ per centum per annum for all interest payable on installment dates occurring on or after July 1, 1940, and prior to July 1, 1944, and shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on or after July 1, 1944, and prior to July 1, 1945. Notwithstanding the interest rate provided for in so-called purchase-money mortgages and real estate sales contracts taken by the Federal Farm Mortgage Corporation, the rate of interest payable on such mortgages and contracts shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on and after July 1, 1942, and prior to July 1, 1944. (May 12, 1933, ch. 25, § 32, 48 Stat. 48; June 16, 1933, ch. 98, § 80 (a), 48 Stat. 273; Jan. 31, 1934, ch. 7, §§ 9, 10, 48 Stat. 347; June 11, 1934, ch. 446, 48 Stat. 929; May 28, 1935, ch. 150, § 32, 49 Stat. 300; June 3, 1935, ch. 164, § 2, 49 Stat. 313; July 22, 1937, ch. 516, § 2, 50 Stat. 521; Aug. 19, 1937, ch. 704, §§ 13, 14, 50 Stat. 708; June 16, 1938, ch. 462, § 2, 52 Stat. 709; Feb. 1, 1940, ch. 19, 54 Stat. 19; June 29, 1940, ch. 441, § 1, 54 Stat. 684; June 3, 1942, ch. 321, 56 Stat. 306; June 27, 1942, ch. 449, § 2, 56 Stat. 392; June 26, 1943, ch. 146, 57 Stat. 196; June 30, 1944, ch. 329, 58 Stat. 646.)

AMENDMENTS

1944—Subsec. (i) amended by act June 30, 1944, cited to text, which added “, and shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on or after July 1, 1944, and prior to July 1, 1945.”

1943—Subsec. (g) was amended by acts Feb. 1, 1940; June 3, 1942; June 26, 1943, cited to text. Act June 3, 1942, substituted “July 1, 1943” for “June 1, 1942” in both instances. Act June 26, 1943, substituted “July 1, 1945” for “July 1, 1943” in both instances.

1942—Subsec. (i) was amended by act June 27, 1942, cited to text.

§ 1017. Rules and regulations; appointment, employment, and compensation of officers, employees, and agents.—The Land Bank Commissioner is authorized to make such rules and regulations, and to appoint, employ, and fix the compensation of such officers, employees, attorneys, and agents as may be necessary to carry out the purposes of this subchapter, and to make the relief contemplated by this subchapter immediately available, without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States: *Provided*, That no salary or compensation in excess of \$10,000 shall be paid to any person employed under the terms of the foregoing section. (May 12, 1933, ch. 25, § 33, 48 Stat. 49; June 16, 1933, ch. 98, § 80 (a), 48 Stat. 273.)

§ 1018. Facilities of Federal land banks and national farm loan associations available to Commissioner.—The Federal land banks and the national farm loan associations are authorized, upon request of the Land Bank Commissioner, to make available to him their services and facilities to aid in administering the provisions

of this subchapter. (May 12, 1933, ch. 25, § 34, 48 Stat. 49; June 16, 1933, ch. 98, § 80 (a), 48 Stat. 273.)

§ 1019. Penalties for false representation in obtaining loan.—Any person who shall knowingly make any material false representation for the purpose of obtaining any loan under sections 1016-1019 of this title, or in assisting in obtaining any such loan, shall, upon conviction thereof, be fined not more than \$1,000, or imprisoned not more than six months, or both. (May 12, 1933, ch. 25, § 35, 48 Stat. 49.)

FEDERAL FARM MORTGAGE CORPORATION

TRANSFERS OF FUNCTIONS

The Farm Credit Administration, Federal Farm Mortgage Corporation, and Commodity Credit Corporation, and their functions and activities, together with their respective personnel, records and property were transferred to Department of Agriculture by Reorg. Plan No. I, § 401, effective July 1, 1939, set out in note under section 133t of Title 5, Executive Departments and Government Officers and Employees.

§ 1020. Establishment of corporation; directors; by-laws; regulations; officers and employees.—There is hereby established a corporation to be known as the "Federal Farm Mortgage Corporation", in this subchapter referred to as the "corporation." The principal office of the corporation shall be located in the District of Columbia and the management of the corporation shall be vested in a board of directors consisting of the Secretary of the Treasury, or an officer of the Treasury designated by him, the Governor of the Farm Credit Administration, in this subchapter referred to as the "Governor", and the Land Bank Commissioner. The directors shall receive no additional compensation for their services as directors of the corporation, but may be allowed actual necessary traveling and subsistence expenses when engaged in the business of the corporation outside of the District of Columbia. The Governor shall be the chairman of the board of directors. The directors shall have power to adopt such bylaws, rules, regulations, and amendments thereto as they deem necessary for the conduct of the business of the corporation authorized under this subchapter. The directors shall have power, without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States, to employ and fix the compensation and duties of such agents, officers, and employees of the corporation as may be necessary to carry out the powers and duties conferred upon the corporation by this subchapter, to require bonds of them and fix the penalties thereof and dismiss them at pleasure, and to prescribe the manner in which the obligations of the corporation shall be incurred and its expenses allowed and paid, but the rates of compensation of such agents, officers, and employees of the corporation shall not exceed the rates of compensation prescribed for comparable duties by chapter 13 of Title 5. (Jan. 31, 1934, ch. 7, § 1, 48 Stat. 344.)

TRANSFER OF FUNCTIONS

Federal Mortgage Corporation was transferred to the Department of Agriculture. See note preceding section 1020 of this title.

§ 1020a. Period of succession; powers; free use of mails; use of Government facilities.—The corporation shall have succession until dissolved by Act of Congress; shall have power to sue and be sued in any court, to adopt and use a corporate seal, to make contracts, and to acquire, hold, and dispose of real and personal property necessary and incident to the conduct of its business; and shall have such other powers as may be necessary and incident to carrying out its powers and duties under this subchapter. The corporation shall be entitled to the free use of the United States mails in the same manner as the executive departments of the Government. The corporation, with the consent of any board, commission, independent establishment, or executive department of the Government, may avail itself of the use of information, services, facilities, officers, agents, and employees thereof, in carrying out the provisions of this subchapter. (Jan. 31, 1934, ch. 7, § 2, 48 Stat. 345.)

CROSS REFERENCE

Authorization of Federal Farm Mortgage Corporation to act as fiscal agent of the United States, see section 1138b of this title.

§ 1020a-1. Capital investment expenditures as nonadministrative expenses.—All expenditures which under the accounting system prescribed for the Federal Farm Mortgage Corporation by the General Accounting Office are to be treated as capital investments, increasing the book value of acquired fixed property (real estate and chattel), shall be considered as nonadministrative expenses for the purposes of section 712a of Title 15. (Sept. 21, 1944, ch. 412, title VI, § 603, 58 Stat. 741.)

CODIFICATION

This section was not enacted as a part of Federal Farm Mortgage Corporation Act.

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

§ 1020b. Capital; amount; subscription by United States; repayment by corporation.—The capital of the corporation shall be in the sum of \$200,000,000, which shall be subscribed by the Governor on behalf of the United States in such amounts and at such times as he deems necessary for the purposes of the corporation. For the purpose of such capital subscription, the funds and proceeds thereof made available to the Land Bank Commissioner under section 1016 of this title and the mortgages taken by the Commissioner and the credit instruments secured thereby are hereby transferred to the corporation. The Federal Farm Mortgage Corporation is authorized to repay on or before June 30, 1941, to the Secretary of the Treasury on behalf of the United States, all amounts in excess of \$100,000,000 theretofore subscribed to the capital stock of the corporation. The proceeds of such repayment shall be held in the Treasury of the United States as a fund available for subscription, by the Governor on behalf of the United States with the approval of the Secretary of the Treasury, to the capital of the corporation when, in the judgment of the directors of the corporation, additional subscriptions to its capital are necessary. (Jan. 31, 1934, ch. 7, § 3, 48 Stat. 345; June 25, 1940, ch. 427, § 4, 54 Stat. 573.)

§ 1020c. Bonds, aggregate amount; guaranty by United States; purchase and sale of by United States; exchange of for consolidated farm loan bonds.—With the approval of the Secretary of the Treasury, the corporation is authorized to issue and have outstanding at any one time bonds in an aggregate amount not exceeding \$2,000,000,000. Such bonds shall be in such forms and denominations, shall have such maturities, shall bear such rates of interest, shall be subject to such terms and conditions, and shall be issued in such manner and sold at such prices, as may be prescribed by the corporation, with the approval of the Secretary of the Treasury. Such bonds shall be fully and unconditionally guaranteed both as to interest and principal by the United States and such guaranty shall be expressed on the face thereof, and such bonds shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof. In the event that the corporation shall be unable to pay upon demand, when due, the principal of, or interest on, such bonds, the Secretary of the Treasury shall pay to the holder the amount thereof which is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such bonds. The Secretary of the Treasury, in his discretion, is authorized to purchase any bonds of the corporation issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities hereafter issued under sections 747, 752-754, 757, 757b, 758, 760, 764-766, 769, 771, 773, 774 (2), and 801 of Title 31, and the purposes for which securities may be issued under such sections are extended to include any purchases of the corporation's bonds hereunder. The Secretary of the Treasury may, at any time, sell any of the bonds of the corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the bonds of the corporation shall be treated as public debt transactions of the United States. No such bonds shall be issued in excess of the assets of the Corporation, including the assets to be obtained from the proceeds of such bonds, but a failure to comply with this provision shall not invalidate the bonds or the guaranty of the same. The corporation shall have power to purchase such bonds in the open market at any time and at any price. On such terms and conditions as may be agreed upon, the corporation may exchange such bonds, upon application of any Federal land bank for consolidated farm loan bonds of equal face value issued under subchapter I of this chapter, and may exchange such consolidated farm loan bonds held by it for bonds of the corporation of equal face value. (Jan. 31, 1934, ch. 7, § 4 (a), 48 Stat. 345; Apr. 27, 1934, ch. 168, § 14, 48 Stat. 647.)

REFERENCES IN TEXT

In the original "subchapter I of this chapter" reads "the Federal Farm Loan Act" (act July 17, 1916, ch. 245, 39 Stat. 360). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

§ 1020d. Purchase of consolidated farm loan bonds; loans to Federal and joint-stock land banks; investment in mortgages; extensions.—The corporation is further authorized to purchase from time to time, for cash, such consolidated farm loan bonds at such prices and upon such terms as may be approved by the board of directors of the corporation; to make loans to Federal land banks and joint-stock land banks on the security of real estate mortgages, sheriff's certificates, sales contracts and real estate, upon such terms and conditions as shall be prescribed by the board of directors of the corporation: *Provided, however,* That loans outstanding to joint-stock land banks under this section shall not at any one time exceeded in the aggregate \$10,000,000; to make loans Federal land banks on the security of consolidated farm loan bonds; and to invest its funds in mortgage loans made under section 1016 of this title.

When in the judgment of the directors conditions justify it, the corporation shall have power to extend, in whole or in part, any unpaid obligation under the terms of any mortgage, and to accept payment of any such obligation together with interest thereon, at a rate not exceeding 5 per centum per annum, during such period and in such amounts as may be agreed upon at the date of making such extension. (Jan. 31, 1934, ch. 7, § 4 (b), 48 Stat. 346; Aug. 19, 1937, ch. 704, §§ 2, 4, 50 Stat. 703.)

SAVING CLAUSE

See note under section 640a of this title.

§ 1020e. Preparation of bonds.—In order to furnish bonds for delivery by the Federal Farm Mortgage Corporation, the Secretary of the Treasury is hereby authorized to prepare suitable bonds in such form, subject to the provisions of this subchapter, as the board of directors may approve, such bonds when prepared to be held in the Treasury subject to delivery upon order of the corporation. The engraved plates, dies, bed pieces, and so forth, executed in connection therewith shall remain in the custody of the Secretary of the Treasury. The corporation shall reimburse the Secretary of the Treasury for any expenditures made in the preparation, custody, and delivery of such bonds. (Jan. 31, 1934, ch. 7, § 4 (c), 48 Stat. 346.)

REFERENCES IN TEXT

In the original "this subchapter" reads "this Act," meaning the Federal Farm Mortgage Corporation Act (act Jan. 31, 1934, cited to text). For distribution of said Federal Farm Mortgage Corporation Act in this Code, see note under section 1020h of this title.

§ 1020f. Exemptions from taxation.—(a) The corporation, including its franchise, its capital, reserves, and surplus, and its income shall be exempt from all taxation now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority; except that any real property of the corporation shall be subject to State, Territorial, county, municipal, or local taxation to the same extent, according to its value as other real property is taxed.

(b) Mortgages executed to the Land Bank Commissioner and mortgages held by the Corporation, and the credit instruments secured thereby, and bonds issued by the Corporation under the provisions of this subchapter, shall be deemed and held to be instrumentalities of the Government of the United States, and as such they and the income derived therefrom shall be exempt from Federal, State, municipal, and local taxation (except surtaxes, estate, inheritance, and gift taxes). (Jan 31, 1934, ch. 7, § 12, 48 Stat. 347; Feb. 26, 1934, ch. 33, 48 Stat. 360.)

REFERENCES IN TEXT

In the original "this subchapter" reads "this Act," meaning the Federal Farm Mortgage Corporation Act (act Jan. 31, 1934, cited to text). For distribution of said Federal Farm Mortgage Corporation Act in this Code, see note under section 1020h of this title.

CROSS REFERENCES

United States obligations and evidences of ownership issued after March 27, 1942, as subject to Federal taxation, see section 742a of Title 31, Money and Finance.

§ 1020g. Severability clause; reservation of right to amend.—

(a) If any provision of this subchapter, or the application thereof to any person or circumstances, is held invalid, the remainder of the subchapter, and the application of such provision to other persons or circumstances, shall not be affected thereby,

(b) The right to alter, amend, or repeal this subchapter is hereby expressly reserved. (Jan. 31, 1934, ch. 7, § 17, 48 Stat. 348.)

REFERENCES IN TEXT

In the original "this subchapter" reads "this Act," meaning the Federal Farm Mortgage Corporation Act (act Jan. 31, 1934, cited to text). For distribution of said Federal Farm Mortgage Corporation Act in this Code, see note under section 1020h of this title.

§ 1020h. Citation of subchapter.—This subchapter may be cited as the Federal Farm Mortgage Corporation Act." (Jan. 31, 1934, ch. 7, § 18, 48 Stat. 349.)

REFERENCES IN TEXT

The Federal Farm Mortgage Corporation Act was incorporated into the Code as sections 347, 355, 723, 772, 781, 897, 992a, 1016, 1020-1020h, 1061, 1131i, 1138b, and 1138d of this title.

LOANS TO FARMERS BY GOVERNOR OF FARM CREDIT ADMINISTRATION

§ 1020i. Loans to farmers by Governor of Farm Credit Administration; purposes.—The Governor of the Farm Credit Administration, hereinafter in sections 1020i-1020n and 1020o of this title referred to as the Governor, is hereby authorized to make loans to farmers in the United States (including Hawaii and Puerto Rico), for fallowing, for planting, for cultivation, for production of crops, for harvesting of crops, for supplies incident and necessary to such production or harvesting, and for feed for livestock, or for any of such purposes. Such loans shall be made and collected through such agencies, upon such terms and con-

ditions, and subject to such regulations, as the Governor may prescribe. (Jan. 29, 1937, ch. 7, § 1, 50 Stat. 5.)

§ 1020j. Persons entitled; security; limitation on amount; interest.—(a) No loan shall be made under sections 1020i-1020n and 1020o of this title to any applicant who shall not have first established to the satisfaction of the proper officer or employee of the Farm Credit Administration, under such regulations as the Governor may prescribe, that such applicant is unable to procure from other sources a loan in an amount reasonably adequate to meet his needs for the purposes for which loans may be made under sections 1020i-1020n and 1020o of this title; and preference shall be given to the applications of farmers whose cash requirements are small.

(b) There shall be required as security for any such loan a first lien, or an agreement to give a first lien, upon all crops of which the production or harvesting, or both, is to be financed, in whole or in part, with the proceeds of such loan; or, in case of any loan, for the purchase or production of feed for livestock, a first lien upon the livestock to be fed.

(c) No loan made under the provisions of sections 1020i-1020n and 1020o of this title to any borrower shall exceed \$400, nor shall a loan be so made in any calendar year which, together with the unpaid principal of prior loans so made to such borrower in that year, shall exceed \$400 in amount: *Provided, however,* That in any area certified by the President of the United States to the Governor as a distressed emergency area, the Governor may make loans without regard to the foregoing limitations as to amount, under such regulations, with such maturities, and in such amounts as he may prescribe.

(d) Each loan shall bear interest at the rate of 4 per centum per annum. (Jan. 29, 1937, ch. 7, § 2, 50 Stat. 6.)

§ 1020k. Use of loan, purposes; exemption from execution, etc.—The proceeds of each loan made by the Governor under the provisions of sections 1020i-1020n and 1020o of this title shall be impressed with a trust for the purposes for which loans may be made under said sections, and may be used only for the purposes stated in the application therefor, and such trust shall continue, and the proceeds shall be free from garnishment, attachment, or the levy of an execution, until such proceeds have been used by the borrower for such purposes. (Jan. 29, 1937, ch. 7, § 3, 50 Stat. 6.)

CROSS REFERENCES

Application to rural rehabilitation loans, see section 1007a of Title 7, Agriculture.

1020l. Fees for making loans and releasing liens.—(a) Fees for recording, filing, registration, and examination of records (including certificates) shall not exceed 75 cents per loan, and may be paid from the proceeds of the loan.

(b) No fees for releasing liens given to secure loans made pursuant to sections 1020i-1020n and 1020o of this title, nor any other fee not specified herein, shall be paid from the funds herein authorized to be appropriated. (Jan. 29, 1937, ch. 7, § 4, 50 Stat. 6.)

§ 1020m. Officers and employees; appointment and compensation; use by other institutions; use of employees of other institutions.—(a) The Governor shall have power, without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States, to employ and fix the compensation and duties of such agents, officers, and employees as may be necessary to carry out the purposes of sections 1020i-1020n and 1020o of this title; but the compensation of such officers and employees shall correspond, so far as the Governor deems practicable, to the rates established by sections 661-673 and 674 of Title 5.

(b) Such agents, officers, and employees, or any of them, and the agents, officers, employees, and facilities of the Farm Credit Administration available for use in connection with loans made under the provisions of sections 1020i-1020n and 1020o of this title or of prior crop production, seeds, and feed loan Acts of the same general character, may be used by the Governor to perform services for any institution operating under the supervision of the Farm Credit Administration, upon such terms and conditions as the Governor may determine; and such institutions are hereby expressly empowered to enter into agreements with the Governor for such purpose.

(c) For the purpose of carrying out the provisions of sections 1020i-1020n and 1020o of this title and for collecting loans made under other Acts of the same general character, including loans made by the Governor with funds appropriated by the Emergency Appropriation Act, fiscal year 1935 (act June 19, 1934, ch. 648, title II, 48 Stat. 1055), or the Emergency Relief Appropriation Act of 1935 (act April 8, 1935, ch. 48, 49 Stat. 115), the Governor is authorized also to use the facilities and services of any agency or corporation operating under the supervision of the Farm Credit Administration, and of any officer or employee of any such agency or institution, or of the Farm Credit Administration, and may pay for such services and the use of such facilities from the funds made available for the payment of necessary administrative expenses, and such agencies and institutions are hereby expressly empowered to enter into agreements with the Governor for the accomplishment of such purposes and to perform the services provided for therein. (Jan. 29, 1937, ch. 7, § 5, 50 Stat. 6.)

REFERENCES IN TEXT

In the original "sections 661-673 and 674 of Title 5" reads "the Classification Act of 1923, as amended."

§ 1020n. Unlawful use of loans; false representations; accepting fee for securing loans; penalties.—(a) Except with the written permission of the Governor or his duly authorized representative, it shall be unlawful for any borrower to willfully use the proceeds of any loan:

(a) For any purpose other than those specified in the application therefor; or

(2) For the purpose of fallowing, or for the planting, production, or harvesting of any crops on, any land other than that described in his application for such loan.

(b) It shall be unlawful for any person to make any material false representation for the purpose of obtaining, or assisting another to obtain, a loan under the provisions of sections 1020i-1020n and 1020o of this title; or willfully to dispose of, or assist in disposing of, except for the account of the Governor, any crops or other property upon which there exists a lien securing a loan made under the provisions of said sections.

(c) It shall be unlawful for any person to charge or accept a fee for preparing or assisting in the preparation of any papers of an applicant for a loan under the provisions of sections 1020i-1020n and 1020o of this title.

(d) Any person violating any provision of this section shall, upon conviction thereof, be punished by a fine of not more than \$1,000, or by imprisonment for not more than six months, or both. (Jan. 29, 1937, ch. 7, § 6, 50 Stat. 7.)

CROSS REFERENCES

Application to rural rehabilitation loans, see section 1007a of Title 7, Agriculture.

§ 1020n-1. Fraudulently obtained loans; personal liability of Federal employees.—No employee of the United States on whose certificate or approval loans under sections 1020i-1020n and 1020o of this title, or other acts of the same general character, are or have been made, shall be held personally liable for any loss or deficiency occasioned by the fraud or misrepresentation of applicants or borrowers, if the Governor of the Farm Credit Administration shall determine that such employee has exercised reasonable care in the circumstances, and has complied with the regulations of the Farm Credit Administration in executing such certificate or giving such approval. Notwithstanding any such determination by the Governor of the Farm Credit Administration, this provision shall not be construed to prevent any criminal process against any person who was a party to or had guilty knowledge of such fraud or misrepresentation. (June 30, 1939, ch. 253, title II, 53 Stat. 979; June 25, 1940, ch. 421, § 1, 54 Stat. 569.)

REPEATED.—Act July 1, 1941, ch. 267, § 1, 55 Stat. 444; act July 22, 1942, ch. 516, § 1, 56 Stat. 701.

§ 1020o. Appropriations; expenditures for printing and binding.—(a) There is hereby authorized to be appropriated, out of money in the Treasury not otherwise appropriated, the sum of \$50,000,000 for the purpose of enabling the Governor to carry out the provisions of sections 1020i-1020n and 1020o of this title.

(b) The moneys appropriated in pursuance of subsection (a) of this section, any amounts collected for services rendered under section 5 (b), and all collections of principal and interest of loans made under sections 1020i-1020n and 1020o of this title may be used by the Governor for making loans under said sections, and for all necessary administrative expenses incurred in connection with the making and collection of such loans.

(c) Expenditures for printing and binding necessary in carrying out the provisions of sections 1020i-1020n and 1020o of

this title may be made without regard to the provisions of section 5 of Title 41. (Jan. 29, 1937, ch. 7, § 7, 50 Stat. 7.)

FEDERAL INTERMEDIATE CREDIT BANKS

ORGANIZATION

CODIFICATION

The provisions of this subchapter relative to Federal intermediate credit banks constitute title II of the "Federal Farm Loan Act," July 17, 1916, ch. 245, 39 Stat. 360. See section 641 of this title. This act was amended on March 4, 1923, ch. 252, 42 Stat. 1454, by the addition of a second title relative to Federal intermediate credit banks, the provisions of which, as amended, are included in this subchapter. The office of Intermediate Credit Commissioner was created by the act of June 16, 1933. See section 638, under "Introductory", at the beginning of this chapter. This subchapter constitutes former chapter 8 of this title.

§ 1021. Number, names, and charters of banks.—The Farm Credit Administration shall have power to grant charters for twelve institutions to be known and styled as "Federal intermediate credit banks." (July 17, 1916, ch. 245, § 201 (a); Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1454; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 1022. Location; directors; officers and employees.—One such institution shall be established in each farm credit district in the same city as the Federal land bank of the district. The members of the several farm credit boards of the farm credit districts provided for in section 640a of this title shall be ex officio the directors of the several Federal intermediate credit banks provided for in this subchapter and shall have power, subject to the approval of the Farm Credit Administration, to employ and fix the compensation of such officers and employees of such Federal intermediate credit banks as may be necessary to carry on the business authorized by this subchapter. (July 17, 1916, ch. 245, § 201 (b); Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1454; June 16, 1933, ch. 98, § 76 (a), 48 Stat. 271; Aug. 19, 1937, ch. 704, § 10, 50 Stat. 707.)

REFERENCES IN TEXT

In the original, "provided for in this subchapter" reads "herein provided for", and "this subchapter" at the end of the section reads "this title", meaning title II of the Federal Farm Loan Act, as added by act Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1454. Said title II was incorporated into the Code as sections 641, 672, 1021-1026, 1031-1034, 1041-1043, 1051-1053, 1061, 1062, 1072, 1081, 1091-1094, 1101, 1111, 1121-1128 of this title, and section 408 of Title 31, Money and Finance.

SAVING CLAUSE

See note under section 640a of this title.

§ 1023. Corporate powers; suits by or against.—Each Federal intermediate credit bank shall have all the usual powers of corporations, and shall have power to sue and be sued both in law and equity, and for purposes of jurisdiction shall be deemed a citizen of the State where it is located.

Each Federal intermediate credit bank shall have power to acquire and dispose of such property, real or personal, as may be necessary or convenient for the transaction of its business, which,

however, may be leased to others for revenue purposes. (July 17, 1936, ch. 245, § 201 (c) ; Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1454; Aug. 19, 1937, ch. 704, § 26, 50 Stat. 715.)

SAVING CLAUSE

See note under section 640a of this title.

§ 1024. Fiscal agents for United States.—Federal intermediate credit banks, when designated for that purpose by the Secretary of the Treasury, shall act as fiscal agents of the United States Government and perform such duties as shall be prescribed by the Secretary of the Treasury. (July 17, 1916, ch. 245, § 201 (d) ; Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1454.)

§ 1025. Insolvency; receivership.—Upon default of any obligation any Federal intermediate credit bank may be declared insolvent and placed in the hands of a receiver by the Farm Credit Administration, and proceedings shall thereupon be had in accordance with the provisions of sections 961-967 of this title regarding national farm loan associations. (July 17, 1916, ch. 245, § 201 (e) ; Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1454; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 1026. Application for charter.—The charters to such Federal intermediate credit banks shall be granted upon application of the directors of the Federal land banks, which application shall be in such form as the Farm Credit Administration shall prescribe. (July 17, 1916, ch. 245, § 201 (f) ; Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1454; Ex. Ord. No. 6084, Mar. 27, 1933.)

DISCOUNTS AND LOANS

§ 1031. Lending powers; purchase and sale of debentures of intermediate credit banks; loans to cooperative associations.—Federal intermediate credit banks, when chartered and established, shall have power, subject solely to such restrictions, limitations, and conditions as may be imposed by the Farm Credit Administration not inconsistent with the provisions of this subchapter—

(1) To discount for, or purchase from, any national bank, and/or any State bank, trust company, agricultural credit corporation, incorporated livestock loan company, savings institution, cooperative bank, credit union, cooperative association of agricultural producers, organized under the laws of any State or of the Government of the United States, and/or any other Federal Intermediate Credit Bank, with its indorsement, any note, draft, bill of exchange, debenture, or other such obligation the proceeds of which have been advanced or used in the first instance for any agricultural purpose or for the raising, breeding, fattening, or marketing of livestock; and to make loans or advances direct to any such organization, secured by such obligations; and to discount for, or purchase from, any production credit association or bank for cooperatives organized under sections 1131d, 1134 and 1134a of this title, or any production credit association in which a Production Credit Corporation organized under such sections holds stock, with its indorsement, any note, draft, bill of exchange, debenture, or other such obligation presented by such

association or bank, and to make loans and advances direct to any such association or bank secured by such collateral as may be approved by the Governor of the Farm Credit Administration;

(2) To buy or sell, with or without recourse, debentures issued by any other Federal intermediate credit bank; and

(3) To make loans or advances direct to any cooperative association organized under the laws of any State and composed of persons engaged in producing, or producing and marketing, staple agricultural products, or livestock, if the notes or other such obligations representing such loans are secured by warehouse receipts, and/or shipping documents covering such products, and/or mortgages on livestock, and/or such other collateral as may be approved by the Governor of the Farm Credit Administration: *Provided*, That no such loan or advance, when secured only by warehouse receipts and/or shipping documents, and/or mortgages on livestock, shall exceed 75 per centum of the market value of the products covered by said warehouse receipts and/or shipping documents, or of the livestock covered by said mortgages; and to accept drafts or bills of exchange issued or drawn by any such association when secured by warehouse receipts and/or shipping documents covering staple agricultural products as provided in this section, at such rates of commission as may be approved by the Governor of the Farm Credit Administration. (July 17, 1916, ch. 245, § 202 (a); Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1455; Mar. 4, 1925, ch. 524, § 7, 43 Stat. 1264; June 26, 1930, ch. 616, § 1, 46 Stat. 816; May 19, 1932, ch. 191, § 1, 47 Stat. 159; June 16, 1933, ch. 98, § 76 (b) (c), 48 Stat. 271; Ex. Ord. No. 6084, Mar. 27, 1933; June 3, 1935, ch. 164, § 5 (a), (b), 49 Stat. 315.)

REFERENCES IN TEXT

In the original "this subchapter" reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text), and "sections 1131d, 1134, and 1134a of this title" reads "the Farm Credit Act of 1933" (act June 16, 1933, ch. 98, 48 Stat. 257). Said Farm Credit Act of 1933 was incorporated into the code as sections 637-640, 653, 674, 678-681, 683, 694, 723, 744a, 771, 781, 791, 874, 876, 878-880, 884, 952, 963a, 964, 971, 972, 983, 987, 992, 1016-1018, 1022, 1031, 1124, 1131-1138f, 1141c-1141f, 1141j, 1148a, and 1151a of this title and section 610 of Title 7, Agriculture. For distribution of the Federal Farm Loan Act in this Code, see note under section 641 of this title.

§ 1032. Purchase or discount of paper from or for national banks, State banks, trust companies, savings institutions, or corporations making loans for agricultural or livestock purposes; limitations upon amount.—No paper shall be purchased from or discounted for any national bank, State bank, trust company or savings institution under sections 1031-1034 of this title, if the amount of such paper added to the aggregate liabilities of such national bank, State bank, trust company, or savings institution, whether direct or contingent (other than bona fide deposit liabilities), exceeds the amount of such liability permitted under the laws of the jurisdiction creating the same: or exceeds twice the paid-in and unimpaired capital and surplus of such national bank, State bank, trust company, or savings institution. No paper shall under sections 1031-1034 of this title be purchased from or discounted for any other corporation engaged in making

loans for agricultural purposes or for the raising, breeding, fattening, or marketing of livestock, if the amount of such paper added to the aggregate liabilities of such corporation exceeds the amount of such liabilities permitted under the laws of the jurisdiction creating the same; or exceeds ten times the paid-in and unimpaired capital and surplus of such corporation. It shall be unlawful for any national bank which is indebted to any Federal intermediate credit bank, upon paper discounted or purchased under sections 1031-1034 of this title, to incur any additional indebtedness, if by virtue of such additional indebtedness its aggregate liabilities, direct or contingent, will exceed the limitations herein contained. (July 17, 1916, ch. 245, § 202 (b); Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1455.)

§ 1033. Maturity and sale of loans, advances, or discounts.—Loans, advances, or discounts made under sections 1031-1034 of this title shall have a maturity at the time they are made or discounted by the Federal intermediate credit bank of not more than three years. Any Federal intermediate credit bank may in its discretion sell loans or discounts made under sections 1031-1034 of this title, with or without its indorsement. (July 17, 1916, ch. 245, § 202 (c); Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1455; June 26, 1930, ch. 616, § 2, 46 Stat. 816.)

ISSUE OF DEBENTURES

§ 1040. "Debentures" defined.—The terms "debenture" and "debentures", when used in any Act of Congress, whenever enacted, except the Federal Farm Loan Act, relating to the purchase, sale, or use as security, of debentures issued by or for the benefit and account of any Federal intermediate credit bank or banks, shall be deemed to mean debentures issued by any such bank individually and consolidated debentures issued by such banks acting together. (Aug. 19, 1937, ch. 704, § 39, 50 Stat. 718.)

REFERENCES IN TEXT

The Federal Farm Loan Act is act July 17, 1916, ch. 245, 39 Stat. 360. For distribution of said act in this Code, see note under section 641 of this title.

SAVING CLAUSE

See note under section 640a of this title.

§ 1041. Collateral trust debentures or similar obligations; security for; maturity; limitation respecting amount.—Federal intermediate credit banks shall have power, subject to the approval of the Farm Credit Administration, to borrow money and to issue and to sell collateral trust debentures or other similar obligations with a maturity at the time of issue of not more than five years, which shall be secured by at least a like face amount of cash, United States Government bonds, Federal Farm Mortgage Corporation bonds, or notes or other such obligations discounted or purchased or representing loans made under sections 1031-1034 of this title: *Provided*, That the aggregate amount of the outstanding debentures and similar obligations issued individually by any Federal intermediate credit bank, together with the amount of outstanding consolidated debentures issued for its

benefit and account, shall not exceed ten times the surplus and paid-in capital of such bank. (July 17, 1916, ch. 245, § 203 (a), as added Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1456, and amended Ex. Ord. No. 6084, Mar. 27, 1933; June 3, 1935, ch. 164, § 6 (a), 49 Stat. 315; Aug. 19, 1937, ch. 704, § 27, 50 Stat. 715.)

SAVING CLAUSE

See note under section 640a of this title.

§ 1042. **Applicability of provisions of Subchapter I; regulations governing collateral and handling thereof; interest rates.**—The provisions of Subchapter I of this chapter relating to the preparation and issue of farm loan bonds shall, so far as applicable, govern the preparation and issue of debentures or other such obligations issued under section 1041 of this title; but the Farm Credit Administration shall prescribe rules and regulations governing the receipt, custody, substitution, and release of the cash, obligations of the United States Government, and notes or other obligations securing such debentures, the right of substitution being hereby granted, and in the event such notes or other obligations are secured by warehouse receipts, shipping documents, or other similar credit instruments, may permit the substitution of trust receipts therefor in such manner and subject to such conditions as may be approved by the said Administration. Rates of interest upon debentures and other such obligations issued under section 1041 of this title shall, subject to the approval of the Farm Credit Administration, be fixed by the Federal intermediate credit bank making the issue, not exceeding 6 per centum per annum. (July 17, 1916, ch. 245, § 203 (b), as added Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1456, and amended Ex. Ord. No. 6084, Mar. 27, 1933; Aug. 19, 1937, ch. 704, § 28, 50 Stat. 715.)

REFERENCES IN TEXT

In the original "subchapter I of this chapter" reads "Title I," meaning Title I of the Federal Farm Loan Act (act July 17, 1916, cited to text). Said title was incorporated into the Code as sections 641, 642, 651-656, 657-664, 671-678, 679-682, 683, 691-698, 701, 711-723, 731-734, 741-747, 751-756, 761, 771, 772, 781, 791, 801-808, 810-824, 831, 841-844, 851-857, 861-864, 871-886, 891-899, 901, 902, 911-915, 921, 931, 932, 933, 941-943, 951-953, 961-963, 964-967, 971-973, 981-987, 991, 992, 993, 1001, 1011, 1012 and 1021 of this title.

SAVING CLAUSE

See note under section 640a of this title.

§ 1043. **Assumption of liability by Government prohibited; recital necessary to be included.**—The United States Government shall assume no liability, direct or indirect, for any debentures or other obligations issued under section 1041 of this title, and all such debentures and other obligations shall contain conspicuous and appropriate language, to be prescribed in form and substance by the Farm Credit Administration and approved by the Secretary of the Treasury, clearly indicating that no such liability is assumed. (July 17, 1916, ch. 245, § 203 (c), as added Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1456, and amended Ex. Ord. No. 6084; Mar. 27, 1933.)

§ 1044. Consolidated debentures; authority of intermediate credit banks to issue and sell.—Whenever it shall appear desirable to issue consolidated debentures of the twelve Federal intermediate credit banks and to sell them through a common selling agency, and the Federal intermediate credit banks shall, by resolutions, consent to the same, the banks may issue and sell said debentures subject to the provisions of sections 1041-1044 of this title and the provisions of sections 871-886 of this title, insofar as applicable. As used in this title, the term “debentures” includes such consolidated debentures. (July 17, 1916, ch. 245, § 203 (d), as added June 3, 1935, ch. 164, § 6 (b), 49 Stat. 315.)

§ 1045. Investment of fiduciary and trust funds in debentures of intermediate credit banks; security for public deposits.—All debentures issued by Federal intermediate credit banks shall be lawful investments, and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of the United States or of any officer or officers thereof. (July 17, 1916, ch. 245, § 203 (e), as added June 3, 1935, ch. 164, § 6 (b), 49 Stat. 316.)

DISCOUNT RATES

§ 1051. Establishment of and approval of; limitations on.—Any Federal intermediate credit bank may, with the approval of the Intermediate Credit Commissioner, from time to time establish rates of discount and interest which, except with the approval of the Governor of the Farm Credit Administration, shall not exceed by more than 1 per centum per annum the rate borne by the last preceding issue of debentures which it issued or in which it participated. Any Federal intermediate credit bank may be required by the Governor of the Farm Credit Administration to acquire, upon such terms as he may approve, loans and/or discounts of any other Federal intermediate credit bank. (July 17, 1916, ch. 245, § 204 (a), as added Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1456, and amended Mar. 4, 1925, ch. 524, § 2, 43 Stat. 1262; Ex. Ord. No. 6084, Mar. 27, 1933; June 3, 1935, ch. 164, § 7, 49 Stat. 316.)

§ 1052. Limitation on interest rate charged original borrower on paper discounted with bank.—No organization entitled to the privileges of this subchapter, shall, without the approval of the Farm Credit Administration, be allowed to discount with any Federal intermediate credit bank any note or other obligation, upon which the original borrower has been charged a rate of interest exceeding by more than 1½ per centum per annum the discount rate of the Federal intermediate credit bank at the time such loan was made. (July 17, 1916, ch. 245, § 204 (b), as added Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1456, and amended, Ex. Ord. No. 6084, Mar. 27, 1933.)

REFERENCES IN TEXT

In the original “this subchapter” reads “this title,” meaning title II of the Federal Farm Loan Act (act July 17, 1916, cited to text), as added by act Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1454. For distribution of said title II in this Code, see note under section 1022 of this title.

§ 1053. Purchase by bank of debentures issued by it.—Subject to the approval of the Farm Credit Administration, a Federal intermediate credit bank may buy for its own account any debentures or similar obligations issued by or for the benefit and account of such bank or other Federal intermediate credit bank or banks, and (1) hold until maturity any such debentures or similar obligations or (2) retire before maturity any such debentures or similar obligations issued by it or for its benefit and account. (July 17, 1916, ch. 245, § 204 (c), as added Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1456, and amended Ex. Ord. No. 6084, March 27, 1933; Aug. 19, 1937, ch. 704, § 29, 50 Stat. 715.)

SAVING CLAUSE

See note under section 640a of this title.

CAPITAL STOCK

§ 1061. Amount, shares; subscriptions to by United States; assessments against other banks to restore capital impairment of one bank.—(a) For the purpose of exercising the powers conferred by this subchapter, each Federal intermediate credit bank shall have a subscribed capital stock of \$5,000,000, which amount may be increased from time to time with the approval of the Governor of the Farm Credit Administration. Capital stock of such amount shall be divided into shares of \$5 each and shall be subscribed, held, and paid by the Government of the United States. It shall be the duty of the Secretary of the Treasury to subscribe to such capital stock on behalf of the United States, such subscription to be subject to call in whole or in part by directors of the said banks upon thirty days' notice to the Secretary of the Treasury and with the approval of the Farm Credit Administration. The Secretary of the Treasury is authorized and directed to take out shares as called and to pay for the same out of any money in the Treasury not otherwise appropriated.

(b) In the event there shall be an impairment of the paid-in capital of any Federal intermediate credit bank, the Farm Credit Administration, at such time or times as it deems advisable, may determine and assess the amount thereof against the other Federal intermediate credit banks on such equitable basis of apportionment as it shall prescribe. Each bank against which such an assessment is made shall, out of its surplus and/or to an extent up to 50 per centum of its net earnings, in accordance with the terms of such assessment, pay the amount thereof as soon as possible to the bank having the impairment. In such event payments into the surplus fund and payments of the franchise tax prescribed by this chapter shall be determined on the basis of the net earnings remaining after providing for the payment of any such assessment.

(c) With the approval of the Secretary of the Treasury, the Governor of the Farm Credit Administration is hereby authorized to subscribe from time to time to the capital stock and/or paid-in surplus of any Federal Intermediate Credit Bank on behalf of the United States, in such amounts as he may determine are necessary for the purpose of meeting the credit needs of eligible borrowers from the bank, and the amount of the capital stock

and paid-in surplus of such bank may be increased or decreased from time to time by the Governor, in accordance with such needs. Such stock shall be divided into shares of \$100 each and subscriptions to such paid-in surplus shall be made in multiples of \$100 out of the revolving fund created under subsection (e) of section 1131i of this title. The Governor on behalf of the United States shall make payment for stock and paid-in surplus of such bank and such payment shall be subject to call in whole or in part by the board of directors of the bank, with the approval of the Governor. (July 17, 1916, ch. 245, § 205, as added Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1457, and amended May 19, 1932, ch. 191, § 2, 47 Stat. 159; Ex. Ord. No. 6084, Mar. 27, 1933; Jan. 31, 1934, ch. 7, § 15 (b), (c), 48 Stat. 348.)

REFERENCES IN TEXT

In the original "this subchapter" reads "this title," meaning title II of the Federal Farm Loan Act (act July 17, 1916, ch. 245, 39 Stat. 360), as added by act Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1454. For distribution of said title II in this Code, see note under section 1022 of this title.

§ 1062. Salaries and expenses of Federal Farm Loan Bureau; assessment against banks for proportionate share.—The Farm Credit Administration shall equitably apportion the joint salaries and expenses incurred in behalf of Federal land banks, joint stock land banks, and Federal intermediate credit banks, and shall assess against each Federal intermediate credit bank its proportionate share of the salaries and expenses of the Federal Farm Loan Bureau made necessary in connection with the operation of this provision. (July 17, 1916, ch. 245, § 206 (a), as added Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1457, and amended Mar. 4, 1925, ch. 524, § 1, 43 Stat. 1262; Ex. Ord. No. 6084, Mar. 27, 1933.)

APPLICATION OF EARNINGS

§ 1072. Net earnings; surplus fund; franchise tax; disposition by United States of sums received from net earnings of banks and from surplus remaining after liquidation of banks.—Subject only to review and approval by the Farm Credit Administration, each Federal intermediate credit bank, at the end of its fiscal year, after all its necessary expenses and costs of operation for such fiscal year have been paid or provided for, shall apply its net earnings then remaining, first, to making up any losses in excess of its reserves against unforeseen losses and assets of doubtful value; second, to the elimination of any impairment of its paid-in capital and paid-in surplus; third, to the creation and maintenance of reserves against unforeseen losses and assets of doubtful value in such amount as its board of directors may prescribe; fourth, to the payment of 25 per centum of the amount then remaining to the United States as a franchise tax; and, fifth, to the payment of the remaining net earnings into its surplus account. The amounts paid as franchise taxes to the United States by Federal intermediate credit banks shall, in the discretion of the Secretary of the Treasury, be used to supplement the gold reserve held against outstanding United States notes, or shall be applied to the reduction of the outstanding bonded

indebtedness of the United States under regulations, to be prescribed by the Secretary of the Treasury. Should a Federal intermediate credit bank be dissolved or go into liquidation, after the payment of all debts and other obligations as hereinbefore provided, any surplus remaining shall be paid to and become the property of the United States and shall be similarly applied. (July 17, 1916, ch. 245, § 206 (b), as added Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1457, and amended May 19, 1932 ch. 191, § 3, 47 Stat. 159; Aug. 19, 1937, ch. 704, § 30, 50 Stat. 715.)

SAVING CLAUSE

See note under section 640a of this title.

LIABILITY ON DEBENTURES OR OTHER SUCH OBLIGATIONS

§ 1081. Liability of one bank for debentures issued by other banks; agreements by banks for transfer of funds for debenture payments.—Any Federal intermediate credit bank issuing debentures or other such obligations under this subchapter shall be primarily liable therefor, and shall also be liable, upon presentation of the coupons for interest payments due upon any such debentures or obligations issued by any other Federal intermediate credit bank and remaining unpaid in consequence of the default of the other Federal intermediate credit bank. Any Federal intermediate credit bank shall likewise be liable for such portion of the principal of debentures or obligations so issued as are not paid after the assets of such other Federal intermediate credit bank have been liquidated and distributed. Such losses, if any, either of interest or of principal, shall be assessed by the Farm Credit Administration against solvent Federal intermediate credit banks liable therefor in proportion to the amount of capital stock, surplus, and debentures or other such obligations which each may have outstanding at the time of such assessment. Every Federal intermediate credit bank shall, by appropriate action of its board of directors duly recorded in its minutes, obligate itself to become liable on debentures and other such obligations as provided in this section: *Provided*, That in view of the liability of all Federal intermediate credit banks for the debentures and other such obligations of each bank under this chapter, the banks shall, in accordance with rules, regulations, and orders of the Farm Credit Administration, enter into adequate agreements and arrangements among themselves by which funds shall be transferred and/or made available from time to time for the payment of all such debentures and other such obligations and the interest thereon when due in accordance with the terms thereof. (July 17, 1916, ch. 245, § 207, as added Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1458, and amended May 19, 1932, ch. 191, § 4, 47 Stat. 159; Ex. Ord. No. 6084, Mar. 27, 1933.)

REFERENCES IN TEXT

In the original "this subchapter" reads "this title," meaning title II of the Federal Farm Loan Act (act July 17, 1916, ch. 245, 39 Stat. 360) as added by act Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1454. For distribution of said title II in this Code, see note under section 1022 of this title. Likewise in the original "this chapter" reads "this act", meaning the Federal Farm Loan Act. For distribution of said act in this Code, see note under section 641 of this title.

EXAMINATIONS AND REPORTS

§ 1091. Reports of condition of banks and other lending institutions rediscounting with credit banks; examinations and audits of credit banks.—In order to enable each Federal intermediate credit bank to carry out the purpose of this subchapter, the Comptroller of the Currency is hereby authorized and directed, upon the request of any Federal intermediate credit bank, (1) to furnish for the confidential use of such bank such reports, records, and other information as he may have available relating to the financial condition of national banks through or for which the Federal intermediate credit bank has made or contemplates making discounts, and (2) to make through his examiners, for the confidential use of the Federal intermediate credit bank, examinations of organizations or for which the Federal intermediate credit bank has made or contemplates making discounts or loans: *Provided*, That no such examination shall be made without the consent of such organization except where such examination is required by law: *Provided*, That any organization, except State banks, trust companies, and savings associations, shall, as a condition precedent to securing rediscount privileges with the Federal intermediate credit bank of its district, file with such bank its written consent to its examination as may be directed by the Farm Credit Administration by farm credit examiners; and State banks, trust companies, and savings associations may be in like manner required to file their written consent that reports of their examination by constituted authorities may be furnished by such authorities upon request of the Federal intermediate credit bank of their district. Each Federal intermediate credit bank shall be examined and audited at least once each year by the Farm Credit Administration, and the results of such examination and audit shall be made public by the administration. (July 17, 1916, ch. 245, § 208 (a), as added Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1458, and amended Ex. Ord. No. 6084, Mar. 27, 1933; Aug. 19, 1937, ch. 704, § 20, 50 Stat. 710.)

REFERENCES IN TEXT

In the original "this subchapter" reads "this title," meaning title II of the Federal Farm Loan Act (act July 17, 1916, ch. 245, 39 Stat. 360) as added by act Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1458. For distribution of said title II in this Code, see note under section 1022 of this title.

§ 1092. Submission and publication of reports of condition by banks.—Every Federal intermediate credit bank shall make to the Farm Credit Administration not less than three reports during each year as requested by the administration and according to the form which may be prescribed by the administration, verified by the oath or affirmation of the president, or secretary, or treasurer, of each Federal intermediate credit bank and attested by the signature of at least three of the directors. Each report shall exhibit, in detail and under appropriate heads, the resources and liabilities of the Federal intermediate credit bank at the close of business on any past day specified by the Farm Credit Administration within five days from the receipt of a request or requisition therefor from the administration, and in the same form in

which it is made to the Farm Credit Administration shall be published in a newspaper published in the place where such Federal intermediate credit bank is established, or if there is no newspaper in the place, then in the one published nearest thereto, in the same county, at the expense of the bank; and such proof of publication shall be furnished as may be required by the Farm Credit Administration. The Farm Credit Administration shall also have power to call for special reports from any particular Federal intermediate credit bank whenever in its judgment the same are necessary for a full and complete knowledge of its condition. (July 17, 1916, ch. 245, § 208 (b), as added Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1458, and amended, Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 1093. Investigations and reports by land bank appraisers and examiners for credit banks.—Land bank appraisers are authorized, upon the request of any Federal intermediate credit bank and with the approval of the Farm Credit Administration, to investigate and make a written report upon the products covered by warehouse receipts or shipping documents, and the livestock covered by mortgages, which are security for notes or other such obligations representing any loan to any organization, under this subchapter. Farm credit examiners are authorized upon the request of any Federal intermediate credit bank, and with the approval of the Farm Credit Administration, to examine and make a written report upon the condition of any organization, except national banks, to which the Federal intermediate credit bank contemplates making any such loan. (July 17, 1916, ch. 245, § 208 (c), as added Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1458, and amended, Ex. Ord. No. 6084, Mar. 27, 1933; Aug. 19, 1937, ch. 704, § 20, 50 Stat. 710.)

REFERENCES IN TEXT

In the original "this subchapter" reads "this title," meaning title II of the Federal Farm Loan Act (act July 17, 1916, ch. 245, 39 Stat. 360) as added by act Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1458. For distribution of said title II in this Code, see note under section 1022 of this title.

§ 1094. Cost of examinations; assessments against organizations investigated.—The Farm Credit Administration shall assess the cost of all examinations made by the examiners of the administration under the provisions of this subchapter upon the bank, trust company, savings institution, or organization investigated, in accordance with the regulations to be prescribed by the administration. (July 17, 1916, ch. 245, § 208 (d), as added Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1458, and amended, Ex. Ord. No. 6084, Mar. 27, 1933.)

REFERENCES IN TEXT

In the original "this subchapter" reads "this title," meaning title II of the Federal Farm Loan Act (act July 17, 1916, ch. 245, 39 Stat. 360) as added by act Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1458. For distribution of said title II in this Code, see note under section 1022 of this title.

§ 1095. Reports on condition of institutions receiving loans or deposits.—The executive departments, boards, commissions, and independent establishments of the Government, the Reconstruction Finance Corporation, the Federal Deposit Insurance Corpo-

ration, the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Reserve banks are severally authorized under such conditions as they may prescribe, upon the request of the Farm Credit Administration to make available to the Farm Credit Administration or any district bank or district corporation operating under its supervision, in confidence, all reports, records or other information they may have relating to the condition of any institution to which the Administration, such district bank, or corporation has made or contemplates making loans or for which it has discounted or contemplates discounting paper, or which it is using or contemplates using as a custodian of securities or other credit instruments, or as a depository. (July 17, 1916, ch. 245, § 208 (e), as amended June 3, 1935, ch. 164, § 8, 49 Stat. 316; Aug. 23, 1935, ch. 614, § 203 (a), 49 Stat. 704; Aug. 19, 1937, ch. 704, § 31, 50 Stat. 716.)

SAVING CLAUSE

See note under section 640a of this title.

RULES AND REGULATIONS

§ 1101. Authority of Farm Credit Administration.—The Farm Credit Administration is authorized to make such rules and regulations, not inconsistent with law, as it deems necessary for the efficient execution of the provisions of this subchapter. (July 17, 1916, ch. 245, § 209, as added Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1459, and amended Ex. Ord. No. 6084, Mar. 27, 1933.)

REFERENCES IN TEXT

In the original "this subchapter" reads "this title," meaning title II of the Federal Farm Loan Act (act July 17, 1916, ch. 245, 39 Stat. 360) as added by act Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1459. For distribution of said title II in this Code, see note under section 1022 of this title.

TAX EXEMPTION

§ 1111. Capital and income; debentures instrumentalities of Government.—The privileges of tax exemption accorded under section 931 of this title shall apply also to each Federal intermediate credit bank, including its capital, reserve, or surplus, and the income derived therefrom, and the debentures issued under this subchapter shall be deemed and held to be instrumentalities of the Government and shall enjoy the same tax exemptions as are accorded farm-loan bonds in said section. (July 17, 1916, ch. 245, § 210, as added Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1459.)

REFERENCES IN TEXT

In the original "this subchapter" reads "this title," meaning title II of the Federal Farm Loan Act (act July 17, 1916, ch. 245, 39 Stat. 360) as added by act Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1459. For distribution of said title II in this Code, see note under section 1022 of this title.

CROSS REFERENCES

United States obligations and evidences of ownership issued after March 27, 1942, as subject to Federal taxation, see section 742a of Title 31, Money and Finance.

PENALTY PROVISIONS

§ 1121. Offenses by officers, employees, or agents; embezzlement; misapplication of funds; unauthorized making, issuing, or

assigning instruments; false entries.—Any officer, director, agent, or employee of a Federal intermediate credit bank who embezzles, abstracts, purloins, or willfully misapplies any of the moneys, funds, or credits of such bank, or who, without authority from such bank, draws any order or bill of exchange, makes any acceptance, issues, puts forth, or assigns any note, debenture, bond, draft, bill of exchange, mortgage, judgment, or decree, or who makes any false entry in any book, report, or statement of such bank with intent in any case to injure or defraud such bank or any other company or person, or to deceive any officer of such bank or the Farm Credit Administration, or any agent or examiner appointed to examine the affairs of such bank; and every receiver of such bank who with like intent to defraud or injure, embezzles, abstracts, purloins, or willfully misapplies any of the moneys, funds, or assets of such bank, and every person who with like intent aids or abets any officer, director, agent, employee, or receiver in any violation of sections 1121-1128 of this title, shall be deemed guilty of a misdemeanor, and upon conviction thereof in any district court of the United States shall be fined not more than \$5,000, or shall be imprisoned for not more than five years, or both, at the discretion of the court. (July 17, 1916, ch. 245, § 211 (a), as added Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1459; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 1122. False statements to banks.—Whoever makes any statement knowing it to be false for the purpose of obtaining for himself or for any other person, firm, corporation, or association any advance, or extension or renewal of an advance, or any release or substitution of security from such bank, or for the purpose of influencing in any other way the action of such bank, shall be punished by a fine of not more than \$10,000, or by imprisonment for not more than five years, or both. (July 17, 1916, ch. 245, § 211 (b), as added Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1459.)

§ 1123. Overvaluation of property offered as security for loan.—Whoever willfully overvalues any property offered as security for any such advance shall be punished by a fine of not more than \$5,000, or by imprisonment for not more than two years, or both. (July 17, 1916, ch. 245, § 211 (c), as added Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1459.)

§ 1124. Offenses by examiners.—Any examiner appointed under this subchapter or subchapter I hereof who shall accept a loan or gratuity from any organization examined by him, or from any person connected with any such organization in any capacity, or who shall disclose the names of borrowers to other than the proper officers of such organization, without first having obtained express permission in writing from the Land Bank Commissioner or from the board of directors of such organization, except when ordered to do so by a court of competent jurisdiction or by direction of the Congress of the United States or of either House thereof, or any committee of Congress or of either House duly authorized, shall be punished by a fine of not exceeding \$5,000 or by imprisonment of not exceeding one year, or both, and may be fined a further sum equal to the money so loaned or gratuity

given, and shall forever thereafter be disqualified from holding office as an examiner under the provisions of this subchapter and subchapter I hereof. No examiner while holding such office shall perform any other service for compensation for any bank or banking or loan association or for any person connected therewith in any capacity. (July 17, 1916, ch. 245, § 211 (d), as added Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1459, and amended June 16, 1933, ch. 98, § 80 (a), 48 Stat. 273.)

REFERENCES IN TEXT

In the original "this subchapter or subchapter I hereof," reads "this Act," meaning the Federal Farm Loan Act (act July 17, 1916, cited to text). For distribution of said Federal Farm Loan Act in this Code, see note under section 641 of this title.

§ 1125. Offenses by officers, employees, or agents of banks; receiving fees or gifts.—Whoever, being an officer, director, employee, agent, or attorney of a Federal intermediate credit bank, stipulates for or receives or consents or agrees to receive any fee, commission, gift, or thing of value, from any person, firm, or corporation for procuring or endeavoring to procure for such person, firm, or corporation, or for any other person, firm, or corporation any loan from any such corporation or extension or renewal of loan or substitution of security, or the purchase or discount or acceptance of any paper, note, draft, check, or bill of exchange by any such corporation, shall be deemed guilty of a misdemeanor and shall upon conviction thereof be imprisoned for not more than one year and fined not more than \$5,000 or both. (July 17, 1916, ch. 245, § 211 (e) as added Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1459.)

§ 1126. Forgery, counterfeiting, and like offenses relating to obligations of banks.—Any person who shall falsely make, forge, or counterfeit or cause or procure to be falsely made, forged, or counterfeited, or willingly aid or assist in falsely making, forging, or counterfeiting any debenture, coupon, or other obligation in imitation of or purporting to be in imitation of the debenture, coupon, or other obligation issued by any Federal intermediate credit bank, or any person who shall pass, utter, or publish or attempt to pass, utter, or publish any false, forged, or counterfeited debenture, coupon, or other obligation purporting to be issued by any such bank knowing the same to be falsely made, forged, or counterfeited, or any person who shall falsely alter or cause or procure to be falsely altered or shall willingly aid or assist in falsely altering any such debenture, coupon, or other obligation or who shall pass, utter, or publish as true any falsely altered or spurious debenture, coupon, or other obligation issued, or purporting to have been issued by any such bank, knowing the same to be falsely altered or spurious, shall be punished by a fine of not exceeding \$5,000 or by imprisonment not to exceed five years, or both. (July 17, 1916, ch. 245, § 211 (f), as added Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1459.)

§ 1127. False representations as to debentures or other obligations of banks.—Any person who shall deceive, defraud, or impose upon or who shall attempt to deceive, defraud, or impose

upon any person, partnership, corporation, or association by making any false pretense or representation concerning the character, issue, security, contents, conditions, or terms of any debenture, coupon, or other obligation issued under the terms of this subchapter, shall upon conviction be fined not exceeding \$500, or imprisoned not to exceed one year, or both. (July 17, 1916, ch. 245, § 211 (g), as added Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1459.)

REFERENCES IN TEXT

In the original "this subchapter" reads "this title," meaning title II of the Federal Farm Loan Act (act July 17, 1916, ch. 245, 39 Stat. 360) as added by act Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1459. For distribution of said title II in this Code, see note under section 1022 of this title.

§ 1128. Unlawful use of words "Federal intermediate credit bank."—All corporations not organized under the provisions of this subchapter are prohibited from using the words "Federal intermediate credit bank" as part of their corporate name, and any violation of this prohibition shall subject the party charged therewith to a civil penalty of \$50 for each day during which the violation continues. (July 17, 1916, ch. 245, § 211 (h), as added Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1459.)

REFERENCES IN TEXT

In the original "this subchapter" reads "this title," meaning title II of the Federal Farm Loan Act (act July 17, 1916, ch. 245, 39 Stat. 360) as added by act Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1459. For distribution of said title II in this Code, see note under section 1022 of this title.

§ 1129. Charging of unauthorized fees or commissions by banks.—No Federal intermediate credit bank shall charge or receive any fee, commission, bonus, gift, or other consideration not herein specifically authorized. (July 17, 1916, ch. 245, § 212, as added Mar. 4, 1923, ch. 252, § 2, 42 Stat. 1461.)

PRODUCTION CREDIT CORPORATIONS AND PRODUCTION CREDIT ASSOCIATIONS

PRODUCTION CREDIT CORPORATIONS

§ 1131. Establishment; number; location.—The Governor of the Farm Credit Administration, hereinafter in this subchapter and subchapter VI referred to as the "governor", is authorized and directed to organize and charter twelve corporations to be known as "Production Credit Corporation." One such corporation shall be established in each farm credit district in the city in which there is located a Federal land bank. The members of the several farm credit boards of the farm credit districts provided for in section 640a of this title shall be ex officio the directors of the respective production credit corporations. Such directors shall have the power, subject to the approval of the governor, to employ and fix the compensation of such officers and employees of such corporations as may be necessary to carry out the powers and duties conferred upon such corporations under this subchapter and subchapter VI. (June 16, 1933, ch. 98, § 2, 48 Stat. 257; Aug. 19, 1937, ch. 704, § 11, 50 Stat. 708.)

REFERENCES IN TEXT

In the original "this subchapter and subchapter VI" reads "this Act," meaning the Farm Credit Act of 1933 (act June 16, 1933, cited to text). For distribution of said Farm Credit Act of 1933 in this Code, see note under section 639 of this title.

SAVING CLAUSE

See note under section 640a of this title.

CROSS REFERENCE

Organization of Banks for Cooperatives, see section 1134 of this title.

§ 1131a. Charters and bylaws.—The charters of the Production Credit Corporation shall be granted by the governor upon application of the directors of the Federal land bank of the proper district, and applications and charters shall be in such form as the governors shall prescribe. The directors shall have power, subject to the approval of the governor, to adopt such bylaws as may be necessary for the conduct of the business of the corporations. (June 16, 1933, ch. 98, § 3, 48 Stat. 257.)

§ 1131b. Capital stock; amount; value of shares; amount and subscription for initial stock; payments for stock subscribed on behalf of United States.—The capital stock of each Production Credit Corporation shall be in such amount as the governor determines is required for the purpose of meeting the credit needs of the district to be served by such corporation, and such amount may be increased or decreased from time to time by the governor in accordance with such credit needs. Such capital stock shall be divided into share of \$100 each. The initial capital stock of each such corporation shall be \$7,500,000, which shall be subscribed for by the governor and held by him on behalf of the United States. Payments on subscriptions to stock by the governor shall be subject to call in whole or in part by the board of directors of the corporation with the approval of the governor. The governor shall make such payments out of the revolving fund created in section 1131i of this title. The stock ownership of the United States in such corporation shall be evidenced by such means as the governor shall determine. (June 16, 1933, ch. 98, § 4, 48 Stat. 257.)

1131c. Purchase of stock in production credit associations; class of stock to be purchased and held; amount of stock; retirement of stock held by corporations; application of earnings on stock held by corporations—(a) **Stock in associations organized under this subchapter.**—Each Production Credit Corporation shall have power to invest its funds in stock of production credit associations as provided in this section. Such corporation is authorized to subscribe and pay for class A stock in each Production Credit Association located in the district served by such corporation in amounts sufficient to maintain the amount of class A stock held by it and other holders of class A stock equal, as nearly as may be, to 20 per centum of the volume of loans made or to be made by such association, as estimated by the corporation, but at no time shall the amount of class a stock outstanding be less than \$5,000 except with the consent of the association. Notwithstanding the provisions of the preceding sentence, (1) the governor, under rules and regulations prescribed by him, may permit a

Production Credit Corporation to maintain the class A holdings of stock by the corporation and other investors at such amount, in excess of 20 per centum of such loans, as may be necessary, and (2) the corporation may at any time require the association to retire and cancel stock held by the corporation in such association, if, in the judgment of the corporation, the association has resources available therefor.

(b) Stock in associations not organized under this subchapter; restrictions and limitations.—Under such rules and regulations as may be prescribed by the governor and subject to such restrictions and limitations as he may prescribe, each Production Credit Corporation is authorized to subscribe and pay for stock in production credit associations not organized under this subchapter if such associations are controlled by cooperative associations as defined in section 1141j (a) of subchapter VII of this chapter. Only stock which is preferred as to assets on liquidation and is entitled to participate in dividend distributions without discrimination may be subscribed for. The amount of the stock subscribed for by any Production Credit Corporation in any such association shall not at any one time exceed 75 per centum of the total paid-in capital of such association.

(c) Earnings on stock in associations; application of; establishment and investment of surplus.—The amount of the excess of earnings on stock held by the corporation above amounts necessary to pay operating expenses and restore losses and impairment of capital, if any, of the corporation shall be devoted to the creation and maintenance of a surplus equal to at least 25 per centum of the paid-in capital of the corporation. The amount of the surplus shall be invested as the governor shall prescribe in direct obligations of the United States or in class A stock of production credit associations, or both.

(d) Application of excess earnings on stock in associations; retirement of stock in corporations held by the Government.—The amount of such excess of earnings not required in order to comply with the provisions of subsection (c) shall be paid into the revolving fund authorized in section 1131i. Stock held by the governor in the Production Credit Corporation shall be retired upon such payment in an amount equal to the amount of such payment. (June 16, 1933, ch. 98, § 6, 48 Stat. 259.)

REFERENCES IN TEXT

In the original "this subchapter" in subsection (b) reads "this Act", meaning the Farm Credit Act of 1933 (act June 16, 1933, cited to text). For distribution of said Farm Credit Act of 1933 in this Code, see note under section 639 of this title.

PRODUCTION CREDIT ASSOCIATIONS

§ 1131d. Organization; articles of association; charters; by-laws; powers of governor respecting associations.—The governor is authorized and directed to organize and charter corporations to be known as "Production Credit Associations." Such associations may be organized by ten or more farmers desiring to borrow money under the provisions of this section, sections 1131e-1131g and 1131h of this title. Such individuals shall enter into articles

of incorporation which shall specify in general terms the objects for which the association is formed and the power to be exercised by it in carrying out the functions conferred upon it by this subchapter. Such articles shall be signed by the individuals uniting to form the association and a copy thereof shall be forwarded to the Production Credit Corporation of the district, and such copy shall be filed and preserved in its office. The governor may, for good cause shown, deny a charter to such individuals. Upon the approval of such articles by the governor, the association shall become as of the date of such approval a body corporate. The governor shall have power, under rules and regulations prescribed by him, or by prescribing the terms of the charter of the association, or both, to provide for the organization, management, and conduct of the business of the association; and the power of the governor shall extend to prescribing the amount of the stock of such association; fixing the territory within which its operations may be carried on; fixing the method of election and appointment of, and the amount and payment of the compensation of, directors, officers, and employees; fixing the maximum amount of individual loans which may be made; prescribing the conditions under which the stock may be retired; and providing for the consolidation of two or more such associations. The governor may, at any time, direct such changes in the charter of any such association as he finds necessary in accomplishing the purposes of this section, sections 1131e-1131g and 1131h of this title. Bylaws of any such association may be adopted by the directors but shall not be valid unless approved by the governor. (June 16, 1933, ch. 98, § 20, 48 Stat. 259.)

REFERENCES IN TEXT

In the original "this subchapter" reads "this Act," meaning the Farm Credit Act of 1933 (act June 16, 1933, cited to text). For distribution of said Farm Credit Act of 1933 in this Code, see note under section 639 of this title.

§ 1131e. Capital stock; value of shares; classes of stock; voting rights; limitation on transfer of class B stock; exchange of class B stock upon holder ceasing to be borrower; dividends; ownership of stock as entitling credit corporation to approve or remove officers of association.—The stock of such associations shall be divided into shares of \$5 each; and there shall be two classes of such stock: (1) Class A stock which is to be held by Production Credit Corporations, and which may be purchased and held by investors, and (2) class B stock which may be purchased only by farmer borrowers from the association and individuals eligible to become borrowers. Class B stock only shall be entitled to voting rights but each hold of such stock shall be entitled to no more than one vote. No class B stock, or any interest therein or right to receive dividends thereon, shall be transferred by act of parties or operation of law except to another farmer borrower or an individual eligible to become a borrower, and then only with the approval of the directors of the association. Each holder of class B stock, within two years after he has ceased to be a borrower, shall exchange such class B stock at the fair book value (not to exceed par) thereof, as

determined by the association, for class A stock. All stock shall share in dividend distributions without preference, but the directors of the association may, in their discretion, apply the amount of any dividend payable to a holder of class B stock to any indebtedness of such holder to the association. Class A stock shall be preferred as to assets of the association upon liquidation. During such time as any Production Credit Corporation is a holder of any stock of any such association, the appointment or election of directors, the secretary-treasurer, and the loan committee of such association shall be subject to the approval of the president of the Production Credit Corporation and during such time any such director, secretary-treasurer, or other officer may, at any time, be removed by the president of the Production Credit Corporation. (June 16, 1933, ch. 98, § 21, 48 Stat. 260.)

§ 1131f. Application of earnings; losses in excess of reserve account; restoration of capital impairment; reserve account; guaranty fund; dividends.—Each Production Credit Association shall, at the end of its fiscal year, apply the amount of its earnings in excess of operating expenses during such fiscal year, first, to making up any losses in excess of its reserve for bad and doubtful debts; second, to the restoration of the amount of the impairment, if any, of capital; third, to the creation and maintenance of a reserve account for bad and doubtful debts, the amount of which account shall be prescribed by the Production Credit Corporation; and fourth, to the creation and maintenance of a guaranty fund equal to at least 25 per centum of the paid-in capital of the association. Any sums remaining may, with the approval of the Production Credit Corporation, be devoted to the payment of dividends but no rate of dividends in excess of 7 per centum per annum shall be paid. Sums in the guaranty fund herein provided for shall be invested subject to such rules and regulations as may be prescribed by the Production Credit Corporation. (June 16, 1933, ch. 98, § 22, 48 Stat. 261.)

§ 1131g. Loans to farmers; terms and conditions.—Each Production Credit Association shall, under such rules and regulations as may be prescribed by the Production Credit Corporation of the district with the approval of the governor, invest its funds and make loans to farmers for general agricultural purposes, but such part of its funds as is represented by the guaranty fund provided for in section 1131f of this title shall not be devoted to making loans to farmers. Such loans shall be made on such terms and conditions, at such rates of interest, and with such security as may be prescribed by the Production Credit Corporation. No loan shall be made for a less amount than \$50, nor shall any one borrower be indebted to the association at any one time in an amount in excess of 20 per centum of the capital and guaranty fund of the association or, if the loan is secured by collateral approved by the Corporation, in an amount in excess of 50 per centum of the capital and guaranty fund, but loans may be made to any borrower in an amount in excess of 50 per centum of the capital and guaranty fund if the loan is approved by the Production Credit Commissioner of the Farm Credit Ad-

ministration. Borrowers shall be required to own, at the time the loan is made, class B stock in an amount equal in fair book value (not to exceed par), as determined by the association, to \$5 per \$100 or fraction thereof of the amount of the loan. Such stock shall not be canceled or retired upon payment of the loan but may be transferred or exchanged as provided in section 1131e of this title. (June 16, 1933, ch. 98, § 23, 48 Stat. 261.)

§ 1131g-1. Same; for home alterations, repairs and improvements; sale of loans; insurance of loans.—With the approval of the Governor of the Farm Credit Administration and under rules and regulations to be prescribed by the Production Credit Commissioner, production credit associations organized under the provisions of this subchapter are authorized and empowered (without regard to the provisions of this subchapter relating to the requirement of the ownership of Class B stock or any other limitations therein contained) (1) to make loans to farmers for the purpose of enabling them to make home alterations, repairs, and improvements; (2) to sell, discount, assign, or otherwise dispose of any loans made by them under the provisions of this section, under such restrictions and limitations as to endorsement and liability as may be approved by the Governor of the Farm Credit Administration; (3) to avail themselves of the benefits of insurance under the provisions of section 1703 of this title; and (4) to do all such things as may be reasonably necessary to carry out the provisions of this section. (June 16, 1933, ch. 98, § 86 (a), as added June 27, 1934, ch. 847, § 504, 48 Stat. 1263.)

REFERENCES IN TEXT

In the original "this subchapter" reads "the Farm Credit Act of 1933" and "this Act" respectively. For distribution of said Farm Credit Act of 1933 (act June 16, 1933, cited to text) in this Code, see note under section 639 of this title.

RENUMBER

This section was formerly designated section 1131gg of this title.

§ 1131g-2. Loans to oyster planters; purchase and discount of paper by Federal intermediate credit banks.—Subject to the approval of the Governor of the Farm Credit Administration and under rules and regulations to be prescribed by the Production Credit Commissioner, production credit associations organized under this subchapter are authorized to make loans to oyster planters; to sell, discount, assign, or otherwise dispose of any loans made by them under the provisions of this section; and to do any and all other things necessary to carry these provisions into effect. With the approval of the Governor of the Farm Credit Administration and under rules and regulations to be prescribed by the Intermediate Credit Commissioner, the Federal intermediate credit banks are authorized and empowered to discount for or purchase from any production credit association any note, draft, or other such obligation representing a loan or loans made under the provisions of this section; and to make loans or advances direct to any such organization secured by such obligations. (June 18, 1934, ch. 574, 48 Stat. 983; June 3, 1935, ch. 164, § 17 (c), 49 Stat. 318.)

REFERENCES IN TEXT

In the original "this subchapter" reads "the Farm Credit Act of 1933" (act June 16, 1933, cited to text). For distribution of said Farm Credit Act of 1933 in this Code, see note under section 639 of this title.

§ 1131h. Borrowing from and rediscounting paper with Federal intermediate credit banks; limitation on power to borrow from or rediscount paper with other institutions.—Production Credit Associations doing business under this subchapter and subchapters V and VI of this chapter are authorized to borrow from, and rediscount paper with Federal Intermediate Credit Banks subject to the restrictions, limitations and conditions applicable under subchapter III of this chapter, as amended. Except with the approval of the Governor, Production Credit Associations shall not have the power to borrow from or rediscount paper with any other bank or agency. (June 16, 1933, ch. 98, § 24, 48 Stat. 261.)

REFERENCES IN TEXT

In the original "this subchapter and subchapters V and VI of this chapter" reads "this Act," meaning the Farm Credit Act of 1933 (act June 16, 1933, cited to text); and "subchapter III of this chapter" reads "title II of the Federal Farm Loan Act" (act July 17, 1916, ch. 245, 39 Stat. 360). For distribution of the Farm Credit Act of 1933 in this Code, see note under section 639 of this title, and for distribution of title II of the Federal Farm Loan Act, see note under section 1022 of this title.

REVOLVING FUND

§ 1131i. Revolving fund.—(a) There is hereby created a revolving fund of not to exceed \$120,000,000 which shall be made up as follows:

(1) The Reconstruction Finance Corporation is authorized and directed to make available to the Governor of the Farm Credit Administration all unobligated balances of the following funds and all sums heretofore returned or released to the corporation from such funds:

(A) Any balances of funds for, and all collections on loans by, the Secretary of Agriculture pursuant to section 602 of Title 15;

(B) All collections on loans made or to be made pursuant to the Act of February 4, 1933 (chapter 35, 47 Stat. 795);

(C) All balances of funds authorized and directed to be made available to the Secretary of Agriculture by such act and not used for loans pursuant thereto; and

(D) Any balances of funds originally directed to be allocated and made available to the Secretary of Agriculture by such acts except as expended pursuant to section 1148 of this title.

(2) There are hereby made available to the Governor of the Farm Credit Administration all unobligated balances of appropriations and funds available thereunder to enable the Secretary of Agriculture to make advances or loans under the following Acts and resolutions, and all repayments of such advances and loans: March 3, 1921 (41 Stat. 1347), March 20, 1922 (42 Stat. 467), April 26, 1924 (43 Stat. 110), February 28, 1927 (44 Stat. 1251), February 25, 1929 (45 Stat. 1306), as amended May 17, 1929 (46 Stat. 1306), March 3, 1921 (41 Stat. 1347), March 20, 1922 (42 Stat. 467), April 26, 1924 (43 Stat. 110), February 28, 1927 (44 Stat. 1251),

February 25, 1929 (45 Stat. 1306), as amended May 17, 1929 (46 Stat. 3), March 3, 1930 (46 Stat. 78, 79), December 20, 1930 (46 Stat. 1032), as amended February 14, 1931 (46 Stat. 1160, and February 23, 1931 (46 Stat. 1276), and Public Resolution Numbered 11, Seventy-second Congress, approved March 3, 1932, and the notes or other obligations evidencing such advances and loans and the security therefor are hereby transferred to the Governor of the Farm Credit Administration.

(3) There is hereby authorized to be appropriated the sum of \$40,000,000 out of any money in the Treasury not otherwise appropriated.

(b) There is hereby authorized to be appropriated the sum of \$2,000,000, which shall remain available until expended, for all necessary administrative expenses in connection with the establishment and supervision of the Production Credit Corporations and the Production Credit Associations.

(c) The authority of the Governor of the Farm Credit Administration to allocate and expend out of the funds covered by subsection (a) of this section such amounts as he shall deem necessary for salaries, expenses, and all other administrative expenditures in the execution of the functions for which such funds have hitherto been available shall not be deemed to be restricted by this section.

(d)

(e) The amount of all balances, collections, and appropriations allocated under subsection (a) of this section to the revolving fund created thereunder, which is in excess of \$120,000,000, is hereby made available to the Governor of the Farm Credit Administration for the establishment of a revolving fund of not to exceed \$40,000,000. Out of such revolving fund, the Governor is authorized to allocate and, with the approval of the Secretary of the Treasury, to expend such amounts as he deems necessary for subscriptions to the capital stock and/or paid-in surplus of Federal Intermediate Credit Banks. (June 16, 1933, ch. 98, § 5, 48 Stat. 258; Jan. 31, 1934, ch. 7, §§ 14, 15 (a), 48 Stat. 348.)

SUBSECTION (D)

Subsec. (d) provided that the authority to make loans during 1933 pursuant to act Feb. 4, 1933, ch. 35, 47 Stat. 795, should not be restricted by this section.

REGIONAL BANKS FOR COOPERATIVES AND CENTRAL BANKS FOR COOPERATIVES

REGIONAL BANKS

§ 1134. **Establishment; number; location.**—The Governor of the Farm Credit Administration, hereinafter in this subchapter and in subchapter VI referred to as the “governor”, is authorized and directed to organize and charter twelve banks to be known as “Banks for Cooperatives.” One such bank shall be established in each farm credit district in the city in which there is located a Federal land bank. The members of the several farm credit boards of the farm credit districts provided for in section 640a of this title shall be ex officio the directors of the respective

banks for cooperatives. Such directors shall have power, subject to the approval of the governor, to employ and fix the compensation of such officers and employees of such banks as may be necessary to carry out the powers and duties conferred upon such banks under this subchapter and subchapter VI. (June 16, 1933, ch. 98, § 2, 48 Stat. 257; Aug. 19, 1937, ch. 704, § 11, 50 Stat. 708.)

REFERENCES IN TEXT

In the original "this subchapter and subchapter VI" reads "this Act," meaning the Farm Credit Act of 1933 (act June 16, 1933, cited to text). For distribution of said Farm Credit Act of 1933 in this Code, see note under section 639 of this title.

CROSS REFERENCE

Organization of Production Credit Corporations, see section 1131 of this title.

SAVING CLAUSE

See note under section 1131 of this title.

§ 1134a. Charters and bylaws.—The charters of the Bank for Cooperatives shall be granted by the governor upon application of the directors of the Federal land bank of the proper district, and applications and charters shall be in such form as the governor shall prescribe. The directors shall have power, subject to the approval of the governor, to adopt such laws as may be necessary for the conduct of business of the banks. (June 16, 1933, ch. 98, § 3, 48 Stat. 257.)

§ 1134b. Capital stock; amount; value of shares; payments from revolving fund for stock purchased by Government.—The capital stock of each Bank for Cooperatives established under section 1134 shall be in such amount as the governor determines is required for the purpose of meeting the credit needs of eligible borrowers from the bank under sections 1134b-1134e of this title and such amount may be increased or decreased from time to time by the governor in accordance with such needs. Such stock shall be divided into shares of \$100 each. Out of the revolving fund created under section 1141d of this title, the governor, on behalf of the United States, shall make payments for stock in the banks and such payments shall be subject to call in whole or in part by the board of directors of the bank with the approval of the governor. (June 16, 1933, ch. 98, § 40, 48 Stat. 264.)

§ 1134c. Lending power.—Subject to such terms and conditions as may be prescribed by the Farm Credit Administration, the banks for cooperatives are authorized (a) to make loans to cooperative associations as defined in Subchapter VII of this chapter, as amended, for any of the purposes and subject to the conditions and limitations set forth in such subchapter; (b) to make loans (by way of discount or otherwise) to any bank organized under this subchapter; (c) to buy from, and sell to, any such bank or any Federal intermediate credit bank any note, draft, bill of exchange, debenture, or other obligation, or any interest therein; and (d) to borrow from, and discount or rediscount paper with, any and all such banks and commercial banks. (June 16, 1933, ch. 98, § 41, 48 Stat. 264; June 3, 1935, ch. 164, § 14, 49 Stat. 316; Aug. 19, 1937, ch. 704, § 36, 50 Stat. 717.)

REFERENCES IN TEXT

In the original "this subchapter" reads "this Act," meaning the Farm Credit Act of 1933 (act June 16, 1933, cited to text). For distribution of said Farm Credit Act of 1933 in this Code, see note under section 639.

SAVING CLAUSE

See note under section 640a of this title.

§ 1134d. Ownership of stock in banks by borrowing associations; earnings and reserves of banks.—The provisions of sections 1134k and 1134l of this title shall apply in the case of Banks for Cooperatives in the same manner and to the same extent as such provisions are applicable to the Central Bank for Cooperatives, except that powers conferred on the chairman of the board of the Central Bank shall be exercised by the boards of directors of the Banks for Cooperatives, subject to the approval of the governor. (June 16, 1933, ch. 98, §§ 42, 48 Stat. 264.)

§ 1134e. Retirement of stock held by Government.—The governor may at any time require any such bank to retire and cancel stock held by the governor in such bank, if, in the judgment of the governor, the bank has resources available therefor, and amounts received by the governor in any such case shall be credited to the revolving fund created under section 1141d of this title, as amended. (June 16, 1933, ch. 98, § 43, 48 Stat. 265.)

CENTRAL BANK

§ 1134f. Establishment; location.—The governor is authorized and directed to organize and charter a corporation to be known as the "Central Bank for Cooperatives" with its principal office in the District of Columbia and such other offices as in the opinion of the governor may be necessary. (June 16, 1933, ch. 98, § 30, 48 Stat. 261.)

§ 1134g. Board of directors.—(a) The board of directors of the Central Bank for Cooperatives shall consist of seven members, one of whom shall be the Cooperative Bank Commissioner of the Farm Credit Administration, who shall be chairman of the board of directors. The other six directors shall be appointed by the governor, of whom the successors of three first appointed shall be appointed from nominees selected by borrowers as provided in subsection (b). The terms of the directors first appointed shall be for one, two, and three years as designated by the governor at the time of appointment and their successors shall hold their offices during a term of three years, but a director appointed to fill a vacancy shall hold his office for the unexpired term of the director whose place he is selected to fill. Any appointed director may at any time be removed for cause by the governor. No compensation shall be paid any director as a director of the corporation but the corporation, subject to the approval of the governor, may allow directors a reasonable per diem and expenses.

(b) The successors of three of the directors first appointed shall be selected one each year by the governor from among individuals nominated by borrowers (except Banks for Coopera-

tives). The governor shall, not less than sixty days prior to the end of the term of any director whose successor is to be appointed from among nominees as herein provided, or as soon as practicable after a vacancy occurs in the office of such director other than by the expiration of his term, cause notice of the vacancy to be sent to each borrower eligible to vote for nominees. Each such borrower shall be eligible to cast one vote. The governor shall not count any ballot received after the expiration of thirty days after the sending of notice. From those (not exceeding three) receiving the highest number of votes, as shown by his count, the governor shall appoint the director. (June 16, 1933, ch. 98, § 31, 48 Stat. 262.)

§ 1134h. Powers of board of directors; chairman of board.—The chairman of the board of the corporation shall be the executive officer of the corporation and the powers of the board of directors shall be such powers as may be prescribed in the charter and bylaws. (June 16, 1933, ch. 98, § 32, 48 Stat. 262.)

§ 1134i. Capital stock.—The capital stock of the central bank shall be in such amount as the governor determines is required for the purpose of meeting the credit needs of eligible borrowers from the bank under sections 1134f-1134m and 1141d of this title, and the governor may from time to time increase or decrease such amount, subject to the limitations contained in sections 1134k and 1134m of this title, in accordance with such needs. The stock of such bank shall be divided into shares of \$100 each. Out of the revolving fund created under section 1141d of this title, the governor, on behalf of the United States, shall subscribe for and make payments for stock in the Central Bank and such payments shall be subject to call in whole or in part by the chairman of the board of the Central Bank with the approval of the governor. (June 16, 1933, ch. 98, § 33, 48 Stat. 262.)

§ 1134j. Lending power; prevention of duplication of effort on the part of central bank and banks for cooperatives.—Subject to such terms and conditions as may be prescribed by the chairman of its board of directors, the Central Bank is authorized: (a) to make loans to cooperative associations as defined in Subchapter VII of this chapter, as amended, for any of the purposes and subject to the conditions and limitations set forth in such subchapter, as amended; (b) to make loans (by way of discount or otherwise) to banks for cooperatives organized under section 1134 of this title; (c) to buy from, and to sell to, any such bank or any Federal intermediate credit bank any note, draft, bill of exchange, debenture, or other obligation, or any interest therein; and (d) to borrow from, and discount or rediscount paper with, any and all such banks and commercial banks.

The governor shall, by regulation or by prescribing the terms of the charters issued to the Central Bank for Cooperatives and the Banks for Cooperatives, or both, provide such limitations, as between the two types of banks, on the classes of borrowers to which loans may be made and the amount of the loans which may be made to individual borrowers, as will best insure the absence of duplication of effort by the two types of banks and will secure the greatest efficiency in extending the benefits of

sections 1134b-1134m and 1141d of this title to borrowers. (June 16, 1933, ch. 98, §§ 34, 38, 48 Stat. 262, 264; June 3, 1935, ch. 164, § 13, 49 Stat. 317; Aug. 19, 1937, ch. 704, § 35, 50 Stat. 717.)

SAVING CLAUSE

See note under section 640a of this title.

§ 1134k. Ownership of stock by associations borrowing from bank; payment into bank's guaranty fund by associations not authorized to purchase stock.—(a) Cooperative associations borrowing from the Central Bank shall be required to own, at the time the loan is made, an amount of stock of the bank equal in fair book value (not to exceed par), as determined by the bank, to \$100 per \$2,000 or fraction thereof of the amount of the loan, except that, in connection with any loan made on the security of commodities, the borrower shall be required to own, at the time the loan is made, only such amount of stock as may be prescribed by rules and regulations of the Governor. Upon discharge of the loan, stock held by the borrowing association may be, and upon the concurrent or subsequent request of the borrowing association shall be, retired and canceled and the association shall be paid therefor an amount equal to the amount paid for such stock or loaned to subscribe therefor, as the case may be, minus the pro rata impairment, if any, of capital and guaranty fund of the Central Bank, as determined by the Chairman of the Board of the Central Bank.

(b) In any case in which a cooperative association applying for a loan is not authorized, under the law of the State in which it is organized, to subscribe for stock in the Central Bank, the bank shall, in lieu of stock subscription, require the borrowing association to pay into a guaranty fund, or the bank may retain out of the amount of the loan and credit to the guaranty fund, an amount equal to the amount which the borrowing association would have been required to own in stock if such association had been authorized to hold such stock. Upon discharge of its loan, the provisions of the last sentence of subsection (a) shall apply with respect to sums of such association in the guaranty fund in the same manner as if such sums were represented by stock.

(c) In any case where the debt of a borrower to the Central Bank is in default, the bank may, in accordance with rules and regulations prescribed by the Governor, retire and cancel all or a part of the stock of the defaulting borrower at the fair book value thereof (not exceeding par), in total or partial liquidation of the debt, as the case may be. (June 16, 1933, ch. 98, § 35, 48 Stat. 263; June 3, 1935, ch. 164, § 15, 49 Stat. 318.)

§ 1134l. Earnings and reserves; guaranty fund; surplus; dividends to stockholders and subscribers to guaranty fund; application of dividends on Government-owned stock.—The Central Bank for Cooperatives shall, at the end of its fiscal year, apply the amount of its earnings in excess of operating expenses during such fiscal year, first, to making up any losses incurred; second, to the restoration of the amount of the impairment, if any, of

capital and guaranty fund as determined by the chairman of the board; and at least 25 per centum of the remainder of such excess of earnings shall be applied to the creation and maintenance of a surplus equal to at least 25 per centum of the amount of the capital and guaranty fund. Any sums remaining may, with the approval of the chairman of the board, be devoted to the payment of dividends. Subscribers to the guaranty fund shall be entitled to dividends in the same amounts as subscribers to stock. No rate of dividend in excess of 7 per centum per annum shall be paid. Dividends on stock held by the governor, when paid, shall be credited to the revolving fund created under section 1141d of this title. (June 16, 1933, ch. 98, § 36, 48 Stat. 263.)

§ 1134m. Debentures; amount; security; preparation and issue; custody of collateral.—The Central Bank is authorized to issue debentures, but the amount of debentures which may be outstanding may not exceed at any one time five times the paid-in capital and surplus of the bank. Such debentures shall be issued at such times and subject to such terms and conditions as the board of directors shall determine but shall bear such interest rates as may be fixed by the chairman of the board. Such debentures shall be secured by collateral which shall be at least equal in value to the amount of debentures outstanding and which shall consist of cash, direct obligations of the United States, or notes or other obligations discounted or purchased or representing loans made under section 1134j of this title. The provisions of law applicable to the preparation and issue of Federal intermediate credit bank debentures shall, so far as applicable, govern the preparation and issue of debentures issued under this section. The governor shall appoint a custodian of such collateral who shall have power subject to such rules and regulations as the governor may prescribe to approve and accept substitutions of collateral. (June 16, 1933, ch. 98, § 37, 48 Stat. 263.)

PROVISIONS COMMON TO PRODUCTION CREDIT CORPORATIONS,
PRODUCTION CREDIT ASSOCIATIONS, REGIONAL AND CENTRAL
BANKS FOR COOPERATIVES

§ 1138. General corporate powers.—The Central Bank for Cooperatives, and the Production Credit Corporations, the Production Credit Associations, and the Banks for Cooperatives, organized under the two preceding subchapters, shall have succession, until dissolved in accordance with this subchapter or any other Act of Congress; shall have power to sue and be sued in any court, to adopt and use a corporate seal, to make contracts, to acquire, hold, and dispose of real and personal property necessary and incident to the conduct of their business, to prescribe fees and charges (which in any case shall be subject to the rules and regulations prescribed by the governor) for loans and other services; and shall have such other powers necessary and incident to carrying out their powers and duties under this subchapter or any other Act of Congress as may be provided by the governor in their charters or in any amendments thereto. Each such bank, association, or corporation shall, for the purposes of jurisdiction,

be deemed a citizen of the State or District within which its principal office is located. No district court of the United States shall have jurisdiction of any action or suit by or against any Production Credit Corporation or Production Credit Association upon the ground that it was incorporated under this chapter or that the United States owns a majority of the stock in it, nor shall any district court of the United States within the farm credit district served by such association or corporation have jurisdiction by removal or otherwise of any suit by or against any such association or corporation except in cases by or against the United States or by or against any officer of the United States and except in cases by or against any receiver of any such corporation or association appointed in accordance with section 1138e of this title. (June 16, 1933, ch. 98, § 60, 48 Stat. 266; Aug. 19, 1937, ch. 704, § 5 (a), 50 Stat. 704.)

REFERENCES IN TEXT

In the original "the two preceding subchapters" and "this subchapter" read "this Act", meaning the Farm Credit Act of 1933 (act June 16, 1933, cited to text). For distribution of said Farm Credit Act of 1933 in this Code, see note under section 639 of this title.

§ 1138a. Examinations; assessments against corporations for cost of examinations.—At least once each year and at such other times as the governor deems necessary, the Central Bank for Cooperatives, and each Production Credit Corporation, Production Credit Association, and Bank for Cooperatives, organized under this chapter, shall be examined by examiners designated by the governor. The governor shall assess the cost of such examinations against the bank, association, or corporation examined, which shall pay such costs to the governor. The amounts so assessed and unpaid shall be a prior lien on all assets of the bank, association, or corporation examined except on assets pledged to secure loans. (June 16, 1933, ch. 98, § 61, 48 Stat. 267.)

REFERENCES IN TEXT

In the original "this chapter" reads "this Act," meaning the Farm Credit Act of 1933 (act June 16, 1933, cited to text). For distribution of said Farm Credit Act of 1933 in this Code, see note under section 639 of this title.

§ 1138b. Fiscal agents of United States.—The Central Bank for Cooperatives, the Production Credit Corporations, Production Credit Associations, the Federal Farm Mortgage Corporation, and Banks for Cooperatives, organized under this chapter, when designated for that purpose by the Secretary of the Treasury, shall act as fiscal agents of the United States Government and when acting as such shall perform such duties as shall be prescribed by the Secretary of the Treasury. (June 16, 1933, ch. 98, § 62, 48 Stat. 267; Jan. 31, 1934, ch. 7, § 11, 48 Stat. 347.)

REFERENCES IN TEXT

In the original "this chapter" reads "this Act," meaning the Farm Credit Act of 1933 (act June 16, 1933, cited to text). For distribution of said Farm Credit Act of 1933 in this Code, see note under section 639 of this title.

§ 1138c. Tax exemption; realty and tangible personalty as subject to taxation; termination of tax exemption after retirement

of Government-owned stock.—The Central Bank for Cooperatives, and the Production Credit Corporations, Production Credit Associations, and Banks for Cooperatives, organized under this chapter, and their obligations, shall be deemed to be instrumentalities of the United States, and as such, any and all notes, debentures, bonds, and other such obligations issued by such banks, associations, or corporations shall be exempt both as to principal and interest from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States or by any State, Territorial, or local taxing authority. Such banks, associations, and corporations, their property, their franchises, capital, reserves, surplus, and other funds, and their income shall be exempt from all taxation now or hereafter imposed by the United States or by any State, Territorial, or local taxing authority; except that any real property and any tangible personal property of such banks, associations, and corporations shall be subject to Federal, State, Territorial, and local taxation to the same extent as other similar property is taxed. The exemption provided herein shall not apply with respect to any Production Credit Association or its property or income after the stock held in it by the Production Credit Corporation has been retired, or with respect to the Central Bank for Cooperatives, or any Production Credit Corporation or Bank for Cooperatives or its property or income after the stock held in it by the United States has been retired. (June 16, 1933, ch. 98, § 63, 48 Stat. 267.)

REFERENCES IN TEXT

In the original "this chapter" reads "this Act," meaning the Farm Credit Act of 1933 (act June 16, 1933, cited to text). For distribution of said Farm Credit Act of 1933 in this Code, see note under section 639 of this title.

CROSS REFERENCES

United States obligations and evidences of ownership issued after March 27, 1942, as subject to Federal taxation, see section 742a of Title 31, Money and Finance.

§ 1138d. Offenses and penalties—(a) False representation; overvaluation of property.—Whoever makes any material representation knowing it to be false, or whoever willfully overvalues any property or security for the purpose of influencing in any way the action of the Farm Credit Administration, any Federal intermediate credit bank, or the Federal Farm Mortgage Corporation, or any division, officer, or employee thereof, or of any corporation organized under subchapter IV or V of this chapter, or in which a Production Credit Corporation organized under this chapter holds stock, or of any regional agricultural credit corporation established pursuant to section 1148 of this title, upon any application, advance, discount, purchase or repurchase agreement, or loan, or any change or extension of any of the same, by renewal, deferment of action or otherwise, or the acceptance, release, or substitution of security therefor, shall be punished by a fine of not more than \$5,000, or by imprisonment for not more than two years, or both.

(b) Forgery, counterfeiting, alteration, etc., of obligations.—Whoever (1) falsely makes, forges, or counterfeits any note,

debenture, bond, or other obligation, coupon, or paper in imitation of or purporting to be a note, debenture, bond, or other obligation, coupon, or paper issued by the Farm Credit Administration, any Federal intermediate credit bank, or the Federal Farm Mortgage Corporation, or by any corporation referred to in subsection (a) of this section; or (2) passes, utters, or publishes, or attempts to pass, utter, or publish, any false, forged, or counterfeited note, debenture, bond, or other obligation, coupon, or paper, purporting to have been issued by the Farm Credit Administration, any Federal intermediate credit bank, or the Federal Farm Mortgage Corporation, or by any such corporation, knowing the same to be false, forged, or counterfeited; or (3) falsely alters any note, debenture, bond, or other obligation, coupon, or paper issued or purporting to have been issued by the Farm Credit Administration, any Federal intermediate credit bank, or the Federal Farm Mortgage Corporation, or by any such corporation; or (4) passes, utters, or publishes, or attempts to pass, utter, or publish, any of the same as true, knowing it to be falsely altered or spurious, shall be punished by a fine of not more than \$10,000, or by imprisonment for not more than five years, or both.

(c) Embezzlement, misapplication, etc., of anything of value belonging to corporation or to administration; false entries; unauthorized making, issuing, or assigning of instrument; personally benefiting from business of corporation.—Whoever, being an employee, officer, or agent of the Farm Credit Administration, any Federal intermediate credit bank, or the Federal Farm Mortgage Corporation, or connected in any capacity with any corporation referred to in subsection (a) of this section, (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to the Farm Credit Administration, any Federal intermediate credit bank, or the Federal Farm Mortgage Corporation, or such corporation, or pledged or otherwise intrusted to the same; or (2) with intent to defraud the United States, or any such corporation, or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Farm Credit Administration, any Federal intermediate credit bank, or the Federal Farm Mortgage Corporation, or of any such corporation, makes any false entry in any book, report, or statement of or to the Farm Credit Administration, any Federal intermediate credit bank, or the Federal Farm Mortgage Corporation, or any such corporation, or draws any order, or issues, puts forth, or assigns any note, debenture, bond, or other obligation, or draft, mortgage, judgment, or decree thereof; or (3) with intent to defraud the United States or any corporation referred to in subsection (a) of this section, participates or shares in or receives directly or indirectly any money, profit, property, or benefits through any transaction, loan, commission, contract, or any other act of any such corporation, shall be punished by a fine of not more than \$10,000, or by imprisonment for not more than five years, or both.

(d) Concealment, conversion, etc., of property mortgaged or pledged to, or held by corporation or administration.—Whoever

knowingly, with intent to defraud the United States or any corporation referred to in subsection (a) of this section, shall conceal, remove, dispose of, or convert to his own use or to that of another, any property mortgaged or pledged to, or held by, the Farm Credit Administration, any Federal intermediate credit bank, or the Federal Farm Mortgage Corporation, or any such corporation as security for any obligation, shall be punished by a fine of not more than \$5,000, or by imprisonment for not more than two years, or both.

(e) Applicability of criminal code provisions to transactions of corporations and administration, any Federal intermediate credit bank or the Federal Farm Mortgage Corporation.—The provisions of sections 202-207 of Title 18, insofar as applicable, are extended to apply to contracts or agreements made by the Farm Credit Administration, any Federal intermediate credit bank, or the Federal Farm Mortgage Corporation, its divisions, officers, and employees, and by the corporations referred to in subsection (a) of this section, which, for the purposes hereof, shall be held to include advances, loans, discounts, and purchase and repurchase agreements; extensions and renewals thereof; and acceptances releases, and substitutions of security therefor.

(f) Conspiracy.—Whoever conspires with another to accomplish any of the acts made unlawful by the preceding provisions of this section shall, on conviction thereof, be subject to the same fine or imprisonment, or both, as is applicable in the case of conviction for doing such unlawful act. (June 16, 1933, ch. 98, § 64, 48 Stat. 269; Jan. 31, 1934, ch. 7, § 13, 48 Stat. 347.)

REFERENCES IN TEXT

In the original "subchapter IV or V of this chapter" and "this chapter" read "this Act," meaning the Farm Credit Act of 1933 (act June 16, 1933, cited to text). For distribution of said act in this Code, see note under section 639 of this title.

§ 1138e. Receivership; voluntary liquidation.—Upon default of any obligation of any Production Credit Corporation, Production Credit Association, or regional Bank for Cooperatives, such bank, association, or corporation may be declared insolvent and placed in the hands of a receiver by the governor and proceedings shall thereupon be had in accordance with the provisions of law relating to the insolvency of national farm loan associations. Any such bank, association, or corporation may, with the consent of the governor, liquidate voluntarily, but only in accordance with such rules and regulations as the governor may prescribe. (June 16, 1933, ch. 98, § 65, 48 Stat. 269.)

CROSS REFERENCE

Insolvency of national farm loan associations, see sections 961 et seq. of this title.

§ 1138f. Limitation on compensation payable to director, officer, or employee.—No director, officer, or employee of the Central Bank for Cooperatives, or of any Production Credit Corporation, Production Credit Association, or Bank for Cooperatives shall be paid compensation at a rate in excess of \$10,000 per annum. No officer or employee of the Farm Credit Adminis-

tration engaged in carrying out the provisions of this subchapter and subchapters IV and V of this chapter shall be paid compensation at a rate in excess of \$10,000 per annum. (June 16, 1933, ch. 98, § 66, 48 Stat. 269.)

REFERENCES IN TEXT

In the original "this subchapter and subchapters IV and V of this chapter" reads "Titles I to VI, inclusive, of this Act," meaning Titles I to VI of the Farm Credit Act of 1933 (act June 16, 1933, cited to text). Said Titles I to VI were incorporated into this Code as sections 683, 1131-1131g, 1131h, 1131i, 1134-1134m, 1138-1138f, 1141c, 1141d, 1141e, 1141f, and 1141j of this title.

AGRICULTURAL MARKETING ACT

§ 1141. Declaration of policy; effective merchandising of agricultural commodities; speculation; cooperative marketing; surpluses; administration of subchapter.—(a) It is hereby declared to be the policy of Congress to promote the effective merchandising of agricultural commodities in interstate and foreign commerce so that the industry of agriculture will be placed on a basis of economic equality with other industries, and to that end to protect, control and stabilize the currents of interstate and foreign commerce in the marketing of agricultural commodities and their food products—

(1) by minimizing speculation.

(2) by preventing inefficient and wasteful methods of distribution.

(3) by encouraging the organization of producers into effective associations or corporations under their own control for greater unity of effort in marketing and by promoting the establishment and financing of a farm marketing system of producer-owned and producer-controlled cooperative associations and other agencies.

(4) by aiding in preventing and controlling surpluses in any agricultural commodity, through orderly production and distribution, so as to maintain advantageous domestic markets and prevent such surpluses from causing undue and excessive fluctuations or depressions in prices for the commodity.

(b) There shall be considered as a surplus for the purposes of this subchapter any seasonal or year's total surplus, produced in the United States and either local or national in extent, that is in excess of the requirements for the orderly distribution of the agricultural commodity or is in excess of the domestic requirements for such commodity.

(c) The Farm Credit Administration shall execute the powers vested in it by this subchapter only in such manner as will, in the judgment of the administration, aid to the fullest practicable extent in carrying out the policy above declared. (June 15, 1929, ch. 24, § 1, 46 Stat. 11; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 1141a. Federal Farm Board.—A Federal Farm Board is hereby created, which shall consist of eight members to be appointed by the President, by and with the advice and consent of the Senate, and of the Secretary of Agriculture, ex officio. In making the appointments the President shall give due considera-

tion to having the major agricultural commodities produced in the United States fairly represented upon the board. The terms of office of the appointed members of the board first taking office after June 15, 1929, shall expire, as designated by the President at the time of nomination, two at the end of the first year, two at the end of the second year, one at the end of the third year, one at the end of the fourth year, one at the end of the fifth year, and one at the end of the sixth year after such date. A successor to an appointed member of the board shall have a term of office expiring six years from the date of the expiration of the term for which his predecessor was appointed, except that any person appointed to fill a vacancy in the board occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term. One of the appointed members shall be designated by the President as chairman of the board and shall be the principal executive officer thereof. The board shall select a vice chairman who shall act as chairman in case of the absence or disability of the chairman. The board may function notwithstanding vacancies, and a majority of the appointed members in office shall constitute a quorum. Each appointed member shall be a citizen of the United States and shall not actively engage in any other business, vocation, or employment than that of serving as a member of the board; nor shall any appointed member during his term of office engage in the business except such business as is necessary to the operation of his own farm or farms) of buying and selling, or otherwise be financially interested in, any agricultural commodity or product thereof. Each appointed member shall receive a salary of \$12,000 a year, together with necessary traveling and subsistence expenses, or per diem allowance in lieu thereof, within the limitations prescribed by law, while away from his official station upon official business. (June 15, 1929, ch. 24 § 2, 46 Stat. 11.)

TRANSFER OF FUNCTIONS AND CHANGE IN NAME

The name of the Federal Farm Board was changed to the Farm Credit Administration and the offices of the appointed members, except that of the chairman, were abolished; the chairman of the Federal Farm Board was changed to Governor of the Farm Credit Administration and he was vested with all powers and duties of the Federal Farm Board by Ex. Ord. No. 6084, Mar. 27, 1933, set out as note preceding section 636 of this title.

§ 1141b. General powers of Farm Credit Administration.

The Farm Credit Administration—

(1) shall maintain its principal office in the District of Columbia, and such other offices in the United States as in its judgment are necessary.

(2) shall have an official seal which shall be judicially noticed.

(3) shall make an annual report to Congress upon the administration of this subchapter and any other matter relating to the better effectuation of the policy declared in section 1141 of this title, including recommendations for legislation.

(4) may make such regulations as are necessary to execute the functions vested in it by this subchapter.

(5) may appoint and fix the salaries of a secretary and such experts, and, in accordance with sections 661-673 and 674 of

Title 5, as amended, and subject to the provisions of the civil-service laws, such other officers and employees as are necessary to execute such functions.

(6)) may make such expenditures (including expenditures for rent and personal services at the seat of government and elsewhere, for law books, periodicals, and books of reference, and for printing and binding) as are necessary to execute such functions. Expenditures by the administration shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the governor of the administration.

(7) may sell at public or private sale to the highest responsible bidder, upon such terms and after such public advertisement as the Farm Credit Administration may deem in the public interest, any property, real or personal, or any interest therein, acquired by the United States on account of or as a result of any loans made from the revolving fund authorized by section 1141d of this title, as amended; may lease any such property, pending its sale, on such terms and for such period, not in excess of five years, as the Farm Credit Administration may deem in the public interest; and may incur and pay, from the said revolving fund, obligations and expenses for the operation, upkeep, maintenance, repair, disposition, insurance, and protection of any such property: *Provided*, That section 5 of Title 41 shall not be construed to apply to any purchase or service on account of such property. (June 15, 1929, ch. 24, § 4, 46 Stat. 13; Ex. Ord. No. 6084, Mar. 27, 1933; Aug. 19, 1937, ch. 704, § 37, 50 Stat. 717.)

SAVING CLAUSE

See note under section 640a of this title.

§ 1141c. Special powers of administration.—The administration is authorized and directed—

(1) to promote education in the principles and practices of cooperative marketing of agricultural commodities and food products thereof.

(2) to encourage the organization, improvement in methods, and development of effective cooperative associations.

(3) to keep advised from any available sources and make reports as to crop prices, experiences, prospects, supply, and demand, at home and abroad. (June 15, 1929, ch. 24, § 5, 46 Stat. 13; Ex. Ord. No. 6084, Mar. 27, 1933; June 16, 1933, ch. 98, § 50 (a), 48 Stat. 265.)

§ 1141d. Revolving fund.—There is hereby authorized to be appropriated the sum of \$500,000,000 which shall be made available by the Congress as soon as practicable after the approval of this subchapter and shall constitute a revolving fund to be administered by the administration as provided in this subchapter. Any and all funds derived from the sale, lease, operation, or other disposition of any property, real or personal, acquired by the United States on account of or as a result of any loan made pursuant to the provisions of this subchapter, shall be covered into and become a part of said revolving fund. (June 15, 1929, ch. 24, § 6, 46 Stat. 14; Ex. Ord. No. 6084, Mar. 27, 1933; June

16, 1933, ch. 98, §§ 33, 34, 40, 41, 48 Stat. 262, 264; Aug. 19, 1937, ch. 704, § 38, 50 Stat. 718.)

SAVING CLAUSE

See note under section 640a of this title.

§ 1141d-1. Interest rates on loans made from revolving fund.—Interest rates in excess of the rates set forth in notes or other obligations taken by the Federal Farm Board or the Farm Credit Administration for loans made from the revolving fund authorized by section 1141d of this title shall not be charged or collected on any of said loans, whether such loans have been heretofore or are hereafter paid in whole or in part, except that in those cases where a borrower by specific contract has agreed to pay a higher rate of interest, the contract rate shall be charged for the period agreed upon; and the amount of any interest collected in excess of the rates thus set forth or contracted for shall be refunded out of said fund or credited on the borrower's indebtedness. (June 22, 1939, ch. 239, 53 Stat. 853.)

This section is not a part of the Agricultural Marketing Act.

§ 1141e. Loans to cooperative associations.—(a) Upon application by any cooperative association the administration is authorized to make loans to it from the revolving fund to assist in—

(1) the effective merchandising of agricultural commodities and food products thereof and the financing of its operations;

(2) The construction or acquisition by purchase or lease, or refinancing the cost of such construction or acquisition, of physical facilities.

(b) No loan shall be made to any cooperative association unless, in the judgment of the administration, the loan is in furtherance of the policy declared in section 1141 of this title, and the cooperative association applying for the loan has an organization and management, and business policies, of such character as to insure the reasonable safety of the loan and the furtherance of such policy.

(c) Loans for the construction or acquisition by purchase or lease of physical facilities, or for refinancing the cost of such construction or acquisition, shall be subject to the following conditions:

(1) No loan shall be made in an amount in excess of 60 per centum of the appraised value of the security therefor.

(2) No loan for the purchase or lease of such facilities shall be made unless the Governor of the Farm Credit Administration finds that the purchase price or rent to be paid is reasonable.

(d) Loans for the construction or purchase of physical facilities, together with interest on the loans, shall be repaid upon an amortization plan over a period not in excess of twenty years. (June 15, 1929, ch. 24, § 7, 46 Stat. 14; Ex. Ord. No. 6084, Mar. 27, 1933; June 16, 1933, ch. 98, §§ 50-53, 48 Stat. 265; June 3, 1935, ch. 164, §§ 9, 10, 49 Stat. 316.)

CROSS REFERENCE

Revolving fund, see section 1141d of this title.

§ 1141f. Miscellaneous loan provisions.—(a) Loans to any co-operative association shall bear such rates of interest as the Governor of the Farm Credit Administration shall from time to time determine to be necessary for the needs of the lending agencies and shall by regulation prescribe (but in no case shall the rate of interest exceed 6 per centum per annum on the unpaid principal): *Provided, however,* That the rate of interest on any loan made under the provisions of section 1141e (a) (1) hereof, other than upon the security of commodities, shall conform as nearly as may be practicable to a rate 1 per centum in excess of the prevailing interest rate paid by production credit associations to the Federal intermediate credit bank of the farm credit district in which the principal business office of the borrower is located; the rate of interest on any loan made upon the security of commodities shall conform, as nearly as may be practicable, to the prevailing interest rate on commodity loans charged borrowers from the Federal intermediate credit bank of the farm credit district in which the principal business office of the borrower is located; and that the rate of interest on any loan made under the provisions of section 1141e (a) (2) hereof shall conform as nearly as may be practicable to the prevailing rate on mortgage loans made to members of national farm loan associations.

(b) Payments of principal or interest upon any such loan or advance shall be covered into the revolving fund.

(c) Loans to any cooperative association or stabilization corporation shall be made upon the terms specified in this subchapter and upon such other terms not inconsistent therewith and upon such security as the administration deems necessary.

(d) No loan or insurance agreement shall be made by the administration if in its judgment the agreement is likely to increase unduly the production of any agricultural commodity of which there is commonly produced a surplus in excess of the annual marketing requirements. (June 15, 1929, ch. 24, § 8, 46 Stat. 14; Ex. Ord. No. 6084, Mar. 27, 1933; June 16, 1933, ch. 98, § 54, 48 Stat. 266; June 3, 1935, ch. 164, § 11, 49 Stat. 316; Aug. 19, 1937, ch. 704, § 5 (a), 50 Stat. 704.)

CROSS REFERENCE

Revolving fund, see section 1141d of this title.

§ 1141g. Stabilization corporations.—(a) The administration may, upon application of the advisory commodity committee for any commodity, recognize as a stabilization corporation for the commodity any corporation if—

(1) The administration finds that the marketing situation with respect to the agricultural commodity requires or may require the establishment of a stabilization corporation in order effectively to carry out the policy declared in section 1141 of this title; and

(2) The administration finds that the corporation is duly organized under the laws of a State or Territory; and

(3) The administration finds that all the outstanding voting stock or membership interests in the corporation are and may be owned only by cooperative associations handling the commodity; and

(4) The corporation agrees with the administration to adopt such bylaws as the administration may from time to time require, which bylaws, among other matters, shall permit cooperative associations not stockholders or members of the corporation to become stockholders or members therein upon equitable terms.

(b) Any stabilization corporation for an agricultural commodity (1) may act as a marketing agency for its stockholders or members in preparing, handling, storing, processing, and merchandising for their account any quantity of the agricultural commodity or its food products, and (2) for the purpose of controlling any surplus in the commodity in furtherance of the policy declared in section 1141 of this title, may prepare, purchase, handle, store, process, and merchandise, otherwise than for the account of its stockholders or members, any quantity of the agricultural commodity or its food products whether or not such commodity or products are acquired from its stockholders or members.

(c) Upon request of the advisory committee for any commodity the administration is authorized to make loans from the revolving fund to the stabilization corporation for the commodity for working capital to enable the corporation to act as a marketing agency for its stockholders or members as hereinbefore provided. Not less than 75 per centum of all profits derived by a stabilization corporation each year from its operations as such a marketing agency shall be paid into a merchandising reserve fund to be established by the corporation. No such payment shall be required whenever the fund is in such amount as, in the judgment of the administration, constitutes a sufficient reserve for such operations of the corporation. Out of the remainder of such profits for the year the corporation shall repay any outstanding loan made under this subdivision and the accrued interest thereon, or if all such loans and accrued interest have been fully repaid, then it may distribute a patronage dividend to its stockholders or members. Such patronage dividend shall be paid to each stockholder or member on the basis of the total volume of the commodity or its products for the year marketed for his account through the corporation.

(d) Upon request of the advisory committee for any commodity the administration is authorized to make loans from the revolving fund to the stabilization corporation for the commodity to enable the corporation to control any surplus in the commodity as hereinbefore provided and for meeting carrying and handling charges and other operating expenses in connection therewith. The administration shall require a stabilization corporation to establish and maintain adequate reserves from its profits from its surplus control operations before it shall pay any dividends out of such profits. All losses of the corporation from such operations shall be paid from such reserves, or if such reserves are inadequate, then such losses shall be paid by the administration as a loan from the revolving fund. Any amounts so loaned for payment of losses shall be repaid into the revolving fund by the corporation from future profits from its surplus control operations. Any stabilization corporation receiving loans under this

subdivision for surplus control operations shall exert every reasonable effort to avoid losses and to secure profits, but shall not withhold any commodity from the domestic market if the prices have become unduly enhanced, resulting in distress to domestic consumers. Stockholders or members of the corporation shall not be subject to assessment for any losses incurred in surplus control operations of the corporation.

(e) A stabilization corporation shall keep such accounts, records, and memoranda, and make such reports with respect to its transactions, business methods, and financial condition, as the administration may from time to time prescribe; shall permit the administration to audit its accounts annually and at such other times as the administration deems advisable; and shall permit the administration, upon its own initiative or upon written request of any stockholder or member, to investigate the financial condition and business methods of the corporation.

(f) No loan shall be made to any stabilization corporation unless, in the judgment of the administration, the loan is in furtherance of the policy declared in section 1141 of this title. (June 15, 1929, ch. 24, § 9, 46 Stat. 14; Ex. Ord. No. 6084, Mar. 27, 1933.)

TERMINATION OF ACTIVITIES

The authority conferred by this section was abolished and the Farm Credit Administration ordered to take appropriate steps for winding up the activities of stabilization corporations by Ex. Ord. No. 6084, § 403, (6), Mar. 27, 1933, set out as note preceding section 636 of this title.

§ 1141h. Avoidance of duplication; cooperation with other governmental establishments; obtaining information and data; cooperation with States, Territories, and agencies or subdivisions thereof; indicating research problems; transfer of offices, functions, etc.—(a) The administration shall, in cooperation with any governmental establishment in the Executive branch of the Government, including any field service thereof at home or abroad, avail itself of the services and facilities thereof in order to avoid preventable expense or duplication of effort.

(b) The President may by Executive order direct any such governmental establishment to furnish the administration such information and data as such governmental establishment may have pertaining to the functions of the administration; except that the President shall not direct that the administration be furnished with any information or data supplied by any person in confidence to any governmental establishment in pursuance of any provision of law or of any agreement with a governmental establishment.

(c) The administration may cooperate with any State or Territory, or department, agency, or political subdivision thereof, or with any person.

(d) The administration shall, through the governor, indicate to the appropriate bureau or division of the Department of Agriculture any special problem on which a research is needed to aid in carrying out the provisions of this subchapter.

(e) The President is authorized, by Executive order, to transfer to or retransfer from the jurisdiction and control of the adminis-

tration the whole or any part of (1) any office, bureau, service, division, commission, or board in the Executive branch of the Government engaged in scientific or extension work, or the furnishing of services, with respect to the marketing of agricultural commodities, (2) its functions pertaining to such work or services, and (3) the records, property, including office equipment, personnel, and unexpended balances of appropriation, pertaining to such work or services. (June 15, 1929, ch. 24, § 13, 46 Stat. 17; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 1141i. Examination of books and accounts; limitation on purpose of examination respecting expenditures from revolving fund.

—Vouchers approved by the Governor of the Farm Credit Administration for expenditures from the revolving fund pursuant to any loan or advance or from insurance monies pursuant to any insurance agreement, shall be final and conclusive upon all officers of the Government; except that all financial transactions of the administration shall, subject to the above limitations, be examined by the General Accounting Office at such times and in such manner as the Comptroller General of the United States may by regulation prescribe. Such examination, with respect to expenditures from the revolving fund pursuant to any loan or advance or from insurance moneys pursuant to any insurance agreement, shall be for the sole purpose of making a report to the Congress and to the board of expenditures and of loan and insurance agreements in violation of law, together with such recommendations thereon as the Comptroller General deems advisable. (June 15, 1929, ch. 24, § 14, 46 Stat. 18; Ex. Ord. No. 6084, Mar. 27, 1933.)

§ 1141j. Miscellaneous provisions—(a) “Cooperative association” defined.—As used in this subchapter, the term “cooperative association” means any association in which farmers act together in processing, preparing for market, handling, and/or marketing the farm products of persons so engaged, and also means any association in which farmers act together in purchasing, testing, grading, processing, distributing, and/or furnishing farm supplies and/or farm business services: *Provided, however,* That such associations are operated for the mutual benefit of the members thereof as such producers or purchasers and conform to one or both of the following requirements:

First. That no member of the association is allowed more than one vote because of the amount of stock or membership capital he may own therein; and

Second. That the association does not pay dividends on stock or membership capital in excess of 8 per centum per annum.

And in any case to the following:

Third. That the association shall not deal in farm products, farm supplies, and farm business services with or for nonmembers in an amount greater in value than the total amount of such business transacted by it with or for members. All business transacted by any cooperative association for or on behalf of the United States or any agency or instrumentality thereof shall be disregarded in determining the volume of member and nonmember business transacted by such association.

(b) **Speculation prohibited.**—It shall be unlawful for the governor, or any officer or employee of the Farm Credit Administration to speculate directly or indirectly, in any agricultural commodity or product thereof, or in contracts relating thereto, or in the stock or membership interests of any association or corporation engaged in handling, processing, or disposing of any such commodity or product. Any person violating this subdivision shall upon conviction thereof be fined not more than \$10,000, or imprisoned not more than ten years, or both.

(c) **Confidential information; disclosure prohibited.**—It shall be unlawful (1) for any cooperative association, stabilization corporation, clearing-house association, or commodity committee, to which or to whom information has been imparted person acting on behalf of any such association, corporation, or committee, to which or to whom information has been imparted in confidence by the administration, to disclose such information in violation of any regulation of the administration. Any such association, corporation, or committee, or director, officer, employee, or member thereof, violating this subdivision, shall be fined not more than \$5,000, or imprisoned not more than five years, or both.

(d) **Governmental publications; predictions as to cotton prices prohibited.**—The inclusion in any governmental report, bulletin, or other such publication hereafter issued or published of any prediction with respect to cotton prices is hereby prohibited. Any officer or employee of the United States who authorizes or is responsible for the inclusion in any such report, bulletin, or other publication of any such prediction, or who knowingly causes the issuance or publication of any such report, bulletin, or other publication containing any such prediction, shall, upon conviction thereof, be fined not less than \$500 or more than \$5,000, or imprisoned for not more than five years, or both: *Provided*, That this subdivision shall not apply to the Governor of the Farm Credit Administration when engaged in the performance of his duties herein provided.

(e) **Separability clause.**—If any provision of this subchapter is declared unconstitutional, or the applicability thereof to any person, circumstance, commodity, or class of transactions with respect to any commodity is held invalid, the validity of the remainder of the subchapter and the applicability of such provision to other persons, circumstances, commodities, and classes of transactions shall not be affected thereby.

(f) **Citation of subchapter.**—This subchapter may be cited as the "Agricultural Marketing Act."

(g) **"Agricultural commodity"; definition.**—As used in this subchapter, the term "agricultural commodity" includes, in addition to other agricultural commodities, crude gum (oleoresin) from a living tree, and the following products as processed by the original producer of the crude gum (oleoresin) from which derived: Gum spirits of turpentine, and gum rosin, as defined in section 92 of Title 7. (June 15, 1929, ch. 24, § 15, 46 Stat. 18; Mar. 4, 1931, ch. 520, § 3, 46 Stat. 1550; Ex. Ord. No. 6084,

Mar. 27, 1933; June 16, 1933, ch. 98, § 55, 48 Stat. 266; June 3, 1935, ch. 164, § 12, 49 Stat. 317.)

REGIONAL AGRICULTURAL CREDIT CORPORATIONS

§ 1148. Regional agricultural credit corporations; creation; capital; management; loans; rediscounts; supervision.—The Reconstruction Finance Corporation is authorized to create in any of the twelve farm credit districts where it may deem the same to be desirable a regional agricultural credit corporation with a paid-up capital of not less than \$3,000,000, to be subscribed for by the Reconstruction Finance Corporation and paid for out of the unexpended balance of the amounts allocated and made available to the Secretary of Agriculture under section 602 of Title 15. Such corporations shall be managed by officers and agents to be appointed by the Farm Credit Administration under such rules and regulations as it may prescribe. Such corporations are hereby authorized and empowered to make loans or advances to farmers and stockmen, the proceeds of which are to be used for an agricultural purpose (including crop production), or for the raising, breeding, fattening, or marketing of livestock, to charge such rates of interest or discount thereon as in their judgment are fair and equitable, subject to the approval of the Farm Credit Administration, and to rediscount with the Reconstruction Finance Corporation and the various Federal reserve banks and Federal intermediate credit banks any paper that they acquire which is eligible for such purpose. All expenses incurred in connection with the operation of such corporations shall be supervised and paid by the Reconstruction Finance Corporation under such rules and regulations as its board of directors may prescribe. (July 21, 1932, ch. 520, § 201 (e), 47 Stat. 713; Ex. Ord. No. 6084, Mar. 27, 1933; Aug. 19, 1937, ch. 704, § 5 (a), 50 Stat. 704.)

TRANSFER OF FUNCTIONS

Ex. Ord. 6084 of March 27, 1933, set forth as note preceding section 636 of this title, transferred to the jurisdiction and control of the Farm Credit Administration the functions defined in section 5 (e) of the Order, as follows: "The functions of the Reconstruction Finance Corporation and its Board of Directors relating to the appointment of officers and agents to manage regional agricultural credit corporations formed under section 201 (e) of the Emergency Relief and Construction Act of 1932 (this section); relating to the establishment of rules and regulations for such management; and relating to the approval of loans and advances made by such corporations and of the terms and conditions thereof."

§ 1148a. Reduction of capital stock of regional agricultural credit corporation; revolving fund from stock proceeds.—The Reconstruction Finance Corporation is authorized, with the approval of the Governor of the Farm Credit Administration, to reduce the capital of any Regional Agricultural Credit Corporation by such action as may be suitable for the purpose. The funds made available by any such reduction shall constitute a revolving fund, all or any part of which shall be available for use from time to time by the Reconstruction Finance Corporation for the purpose of increasing, with the approval of the Governor of the Farm

Credit Administration, the capital of any Regional Agricultural Credit Corporation. (June 16, 1933, ch. 98, § 84, 48 Stat. 273.)

§ 1148b. Additional powers of regional agricultural credit corporations.—Each regional agricultural credit corporation, created under the authority of section 1148 of this title, in addition to the powers granted prior to August 19, 1937, shall have and, upon order or approval of the Farm Credit Administration, shall exercise the following rights, powers, and authority:

(a) *Places of transacting business.* To conduct, transact, and operate its business in any State in the continental United States, in the District of Columbia, and in Puerto Rico.

(b) *Borrow money.* To borrow money (other than by way of discount) from any other regional agricultural credit corporation, the Reconstruction Finance Corporation, or any Federal intermediate credit bank, and to give security therefor.

(c) *Loans.* To lend any of its available funds to any other regional agricultural credit corporation at such rates of interest and upon such terms and conditions as may be approved by the Farm Credit Administration.

(d) *Sale to or purchase from other like corporations.* To sell to or purchase from any other regional agricultural credit corporation or any corporation formed by consolidation or merger as provided in section 1148c of this title, any part of or all the assets of any such corporation, upon such terms and conditions as may be approved by the Farm Credit Administration, including the assumption of the liabilities of any such corporation, in whole or in part. (Aug. 19, 1937, ch. 704, § 32, 50 Stat. 710.)

SAVING CLAUSE

See note under section 640a of this title.

§ 1148c. Consolidation or merger—(a) Power of Farm Credit Administration.—The Farm Credit Administration shall have the power and authority to order and effect the consolidation or merger of two or more regional agricultural credit corporations, on such terms and conditions as it shall direct.

(b) **Status of corporations formed by consolidation.**—The Farm Credit Administration is authorized to grant charters to, prescribe bylaws for, and fix the capital of, regional agricultural credit corporations which may be formed by the consolidation of two or more regional agricultural credit corporations, and to approve or prescribe such amendments to the charter and bylaws of any regional agricultural credit corporation as it may from time to time deem necessary. Corporations formed by the consolidation of two or more regional agricultural credit corporations, as herein provided, shall have all the rights, powers, authority, and exemptions; shall be subject to the same supervision and control; and shall have their expenses paid in the same manner as provided by law in respect to regional agricultural credit corporations organized under section 1148 of this title. (Aug. 19, 1937, ch. 704, § 33, 50 Stat. 717.)

SAVING CLAUSE

See note under section 640a of this title.

§ 1148d. Rights and powers unaffected by sections 1148b and 1148c.—Nothing contained in sections 1148b and 1148c of this title shall be construed as limiting the rights, powers, and authority granted prior to August 19, 1937, to the regional agricultural credit corporations, the Farm Credit Administration, or the Governor thereof by any Acts of Congress or Executive orders. (Aug. 19, 1937, ch. 704, § 34, 50 Stat. 717.)

SAVING CLAUSE

See note under section 640a of this title.

ADJUSTMENT AND CANCELLATION OF FARM LOANS

§ 1150. Compromise, adjustment, and cancellation of farm loans; conditions; delegation of powers and duties by Secretary of Agriculture.—The Secretary of Agriculture, hereinafter referred to as the Secretary, is authorized and directed to compromise, adjust, or cancel indebtedness arising from loans and payments made or credit extended to farmers under the provisions of the several Acts of Congress or programs enumerated in section 1150a of this title: *Provided*, That the Secretary finds, after such investigation as he deems sufficient to establish the facts, that (1) said indebtedness has been due and payable for five years or more; (2) the debtor is unable to pay said indebtedness in full and has no reasonable prospect of being able to do so; (3) the debtor has acted in good faith in an effort to meet his obligation; and (4) the principal amount of said indebtedness is not in excess of \$1,000. The Secretary is further authorized at his discretion to cancel and discharge indebtedness arising under said Acts of Congress or programs when the amount of said indebtedness is less than \$10, or the debtor is deceased and there is no reasonable prospect of recovering from his estate, or his whereabouts has remained unknown for two years and there is no reasonable prospect of obtaining collection, or he has been discharged of the indebtedness in any proceeding under the Act entitled "An Act to establish a uniform system of bankruptcy throughout the United States". The compromises, adjustments, or cancelations authorized by this section shall be effected through such agencies, upon such terms and conditions, and subject to such regulations, as the Secretary may prescribe, and the Secretary may delegate the exercise of any such powers and functions to such officers or employees of the Department of Agriculture as he may designate. (Dec. 20, 1944, ch. 623, § 1, 58 Stat. 836.)

§ 1150a. Farm loans to which chapter is applicable.—The provisions of this chapter shall apply to any indebtedness of farmers arising from loans or payments made or credit extended to them under any of the following Acts or programs: (a) July 1, 1918 (40 Stat. 635); March 3, 1921 (41 Stat. 1347); March 20, 1922 (42 Stat. 467); April 26, 1924 (43 Stat. 110); February 25, 1927 (44 Stat. 1245); February 28, 1927 (44 Stat., part II, 1251); February 25, 1929 (45 Stat. 1306), as amended May 17, 1929 (46 Stat. 3); March 3, 1930 (46 Stat. 78-79), as amended April 24, 1930 (46 Stat. 254); December 20, 1930 (46 Stat. 1032), as

amended February 14, 1931 (46 Stat. 1160); February 23, 1931 (46 Stat. 1276); January 22, 1932 (47 Stat. 5); March 3, 1932 (47 Stat. 60); February 4, 1933 (47 Stat. 795); February 23, 1934 (48 Stat. 354); June 19, 1934 (48 Stat. 1056); February 20, 1935 (49 Stat. 28); March 21, 1935 (49 Stat. 50); April 8, 1935 (49 Stat. 115); (Executive Order Numbered 7305); January 29, 1937 (50 Stat. 5); and February 4, 1938 (52 Stat. 27); (b) Agricultural Adjustment Act (of 1933); Bankhead Cotton Act of April 21, 1934, on account of the several cotton taxexemption certificate pools; Jones-Connally Cattle Act of April 7, 1934; Emergency Appropriation Act, fiscal year 1935, approved June 19, 1934; Kerr Tobacco Act of June 28, 1934, and Public Resolution Numbered 76, approved March 14, 1936; section 32 of the Act of August 24, 1935, and related legislation; Supplemental Appropriation Act, fiscal year 1936; sections 7 to 17 of the Soil Conservation and Domestic Allotment Act; Sugar Act of 1937; sections 303 and 381 (a) of the Agricultural Adjustment Act of 1938 and related or subsequent legislation authorizing parity or price adjustment payments; title IV and title V of the Agricultural Adjustment Act of 1938 and related legislation; any amendment to any of the foregoing Acts heretofore and any other Act of Congress heretofore enacted authorizing payments to farmers under programs administered through the Agricultural Adjustment Agency; (c) Loans made by or through the Resettlement Administration or the Farm Security Administration out of funds appropriated or made available by or pursuant to the following Acts: April 8, 1935 (49 Stat. 115); June 22, 1936 (49 Stat. 1608); February 9, 1937 (50 Stat. 8); June 29, 1937 (50 Stat. 352); The Bankhead-Jones Farm Tenant Act, July 22, 1937 (50 Stat. 522 et seq.); the Water Facilities Act of August 28, 1937 (50 Stat. 869 et seq.); March 2, 1938 (52 Stat. 83, Public Resolution Numbered 80); June 21, 1938 (52 Stat. 809); June 30, 1939 (53 Stat. 927); June 26, 1940 (Public Resolution Numbered 88); flood-restoration loans, Second Deficiency Appropriation Act, 1943 (57 Stat. 537, 542); and subsequent legislation appropriating or making available funds for such loans; commodity loan, purchase, sale, and other programs of the Commodity Credit Corporation; and crop-insurance programs formulated pursuant to title V of the Agricultural Adjustment Act of 1938 (the Federal Crop Insurance Act), and any amendment or supplement thereto heretofore or hereafter enacted. This chapter shall also apply to any indebtedness of farmers evidenced by notes or accounts receivable, title to which has been acquired in the liquidation of loans to cooperative associations made under the provisions of the Act of June 15, 1929 (46 Stat. 11). (Dec. 20, 1944, ch. 623, § 2, 58 Stat. 836.)

§ 1150b. Appropriations.—There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amount as may be necessary to enable the Secretary to carry out the provisions of this chapter, and the current and subsequent appropriations to enable the Secretary to administer the respective Acts of Congress or programs to which the aforesaid payments or loans or extensions of credit

relate shall also be available for the administrative expenses of carrying out this chapter. (December 20, 1944, ch. 623, § 3, 58 Stat. 837.)

§ 1150c. Penalties for false representation; acceptance of fees, gifts, etc.—(a) Whoever makes any material representation, knowing it to be false, for the purpose of influencing in any way the action of the Secretary, or of any person acting under his authority, in connection with any compromise adjustment, or cancelation of indebtedness provided for herein, shall, upon conviction thereof, be punished by a fine of not more than \$1,000 or by imprisonment for not more than one year, or both.

(b) No officer or employee of the United States, and no person to whom the Secretary may delegate any power or function under this chapter, shall accept any fee, commission, gift, or other consideration, directly or indirectly, for or in connection with any transaction or business related to the compromise, adjustment, or cancelation of indebtedness hereunder. Any person violating the foregoing provision shall, upon conviction thereof, be punished by a fine of not more than \$1,000 or by imprisonment for not more than one year, or both. (Dec. 20, 1944, ch. 623, § 4, 58 Stat. 837.)

LOCAL AGRICULTURAL-CREDIT CORPORATIONS, LIVESTOCK-LOAN COMPANIES AND LIKE ORGANIZATIONS; LOANS TO INDIVIDUALS TO AID IN FORMATION OR TO INCREASE CAPITAL STOCK

§ 1401. Authorization of loans by Governor of Farm Credit Administration; regulations.—The Governor of the Farm Credit Administration is hereby authorized to make advances or loans to individuals, under such regulations as he may prescribe, for the purpose of assisting in forming local agricultural-credit corporations, livestock-loan companies, or like organizations, or of increasing the capital stock of such corporations, companies, or organizations qualified to do business with Federal intermediate credit banks, or to which such privileges may be extended. (Mar. 3, 1932, ch. 70, § 1, 47 Stat. 60; Ex. Ord. No. 6084, Mar. 27, 1933.)

TRANSFER OF FUNCTIONS

“Governor of the Farm Credit Administration” was substituted for “Secretary of Agriculture” and other changes effected by Ex. Ord. No. 6084, cited to text, which is set out in full at the beginning of Chapter 7 of this title.

§ 1402. Limitations on loans; financial structure of corporation, approval—(a) **Limitation on loans to individual stockholders.**—No loans shall be made to individual stockholders on the capital stock of, or to create or increase the capital stock of such corporation, company, or organization in an amount in excess of 75 per centum of the par value of the capital stock of such corporation, company, or organization owned by or proposed to be subscribed to by such individual.

(b) **Approval of financial structure of corporation by Governor of Farm Credit Administration.**—No loan shall be made upon the capital stock of any corporation until the Governor of the Farm

Credit Administration shall find that the financial structure of such corporation is sound and unimpaired and by him approved, nor shall any loan be made upon the capital stock of such corporation until the management of such company shall be made known to and approved by the Governor, and the Governor shall have the right at any time to declare the indebtedness to the Government that may be created hereunder due whenever in his judgment the financial structure of the corporation shall become so impaired or the management become so unsatisfactory as to jeopardize the interests of the Government. (Mar. 3, 1932, ch. 70, § 2, 47 Stat. 60; Ex. Ord. No. 6084, Mar. 27, 1933.)

TRANSFER OF FUNCTIONS

"Governor of the Farm Credit Administration" and "Governor" were substituted for "Secretary of Agriculture" and "Secretary," respectively and other changes were effected by Ex. Ord. No. 6084, cited to text, which is set out in full at the beginning of Chapter 7 of this title.

§ 1403. Minimum paid-in capital stock required to warrant loans.—No loan or advance shall be made to any individual upon the capital stock of or to create or increase the capital stock of any corporation, unless the paid-in capital stock of such corporation shall be at least \$10,000. (Mar. 3, 1932, ch. 70, § 3, 47 Stat. 60.)

§ 1404. Appropriations; revolving fund.—To carry out the provisions of this chapter, including all expenses incurred thereunder, there are authorized to be appropriated, out of the unexpended balances of appropriations made to carry out the provisions of Public Resolution Numbered 112. Seventy-first Congress (46 Stat. 1032), as amended by the Interior Department Appropriation Act for the fiscal year ending June 30, 1932, and as amended by Public Resolution Numbered 120 (46 Stat. 1167), and out of the collections from loans made under Public Resolution Numbered 112, as so amended, a sum not exceeding \$10,000,000, which sum shall be paid into a revolving fund. Not to exceed 2 per centum of such fund may be used for expenses of administration. All moneys received from time to time upon the repayment of any advance or loan made pursuant to this chapter, together with the interest, shall be paid into the revolving fund and shall thereafter be available for the purposes and in the manner hereinbefore provided. (Mar. 3, 1932, ch. 70, § 4, 47 Stat. 60.)

FEDERAL CREDIT UNIONS

§ 1751. Citation of chapter.—This chapter may be cited as the "Federal Credit Union Act." (June 26, 1934, ch. 750, § 1, 48 Stat. 1216.)

Ex. ORD. No. 9148

CREDIT UNION FUNCTIONS, RECORDS, PROPERTY, AND PERSONNEL

Ex. Ord. No. 9148, April 27, 1942, 7 F. R. 3145, provided:

By virtue of the authority vested in me by Title I of the First War Powers Act, 1941, approved December 18, 1941 (Public Law 354, 77th Congress), it is hereby ordered as follows:

1. TRANSFER OF FUNCTIONS

All functions, powers, and duties of the Farm Credit Administration and of the Governor thereof under the Federal Credit Union Act, as amended, (Title 12 U. S. C. §§ 1751-1771) are transferred to the Federal Deposit Insurance Corporation.

2. TRANSFER OF RECORDS, PROPERTY, AND PERSONNEL

All records and property (including office equipment) and all personnel of the Farm Credit Administration used primarily in the administration of functions transferred by this order are transferred to the Federal Deposit Insurance Corporation for use in the administration of the functions transferred by this order; but any personnel so transferred who are found by the Federal Deposit Insurance Corporation to be in excess of the personnel necessary for the administration of such functions, powers, and duties shall be retransferred under existing law to other positions in the Government or separated from the service.

3. TRANSFER OF FUNDS

So much of the unexpended balances of appropriations or other funds available (including those available for the fiscal year ending June 30, 1943) to the Farm Credit Administration in the exercise of the functions transferred by this order, as the Director of the Bureau of the Budget with the approval of the President shall determine, shall be transferred to the Federal Deposit Insurance Corporation for use in connection with the exercise of the functions so transferred. In determining the amount to be transferred the Director of the Bureau of the Budget may include an amount to provide for the liquidation of obligations incurred against such appropriations or other funds prior to the transfer.

4. EFFECTIVE AND TERMINATION DATES

This order shall become effective as of May 16, 1942, and shall continue in force and effect until the termination of Title I of the First War Powers Act, 1941. (50 App. § 601 et seq.)

§ 1752. Definitions.—A Federal credit union is hereby defined as a cooperative association organized in accordance with the provisions of this chapter for the purpose of promoting thrift among its members and creating a source of credit for provident or productive purposes. When used in this chapter the term "Administration" means Farm Credit Administration, and the term "Governor" means the Governor thereof. (June 26, 1934, ch. 750, § 2, 48 Stat. 1216.)

TRANSFER OF FUNCTIONS

The Farm Credit Administration was transferred to the Department of Agriculture by Reorg. Plan No. I, § 401, eff. July 1, 1939, 4 Fed. Reg. 2730, 53 Stat. 1429.

§ 1753. Federal credit union organization.—Any seven or more natural persons who desire to form a Federal credit union shall subscribe before some officer competent to administer oaths an organization certificate in duplicate which shall specifically state—

- (1) The name of the association.
- (2) The location of the proposed Federal credit union and the territory in which it will operate.
- (3) The names and addresses of the subscribers to the certificate and the number of shares subscribed by each.
- (4) The par value of the shares, which shall be \$5 each.
- (5) The proposed field of membership, specified in detail.
- (6) The term of the existence of the corporation, which may be perpetual.

(7) The fact that the certificate is made to enable such persons to avail themselves of the advantages of this chapter.

Such organization certificate may also contain any provisions approved by the Governor for the management of the business of the association and for the conduct of its affairs and relative to the powers of its directors, officers, or stockholders. (June 26, 1934, ch. 750, § 3, 48 Stat. 1217.)

§ 1754. Approval of organization certificate.—Any such organization certificate shall be presented to the Governor for approval. Upon such approval the Federal credit union shall be a body corporate and as such, subject to the limitations herein contained, shall be vested with all of the powers and charged with all the liabilities conferred and imposed by this chapter upon corporations organized hereunder. Before any organization certificate is approved an appropriate investigation shall be made for the purpose of determining (1) whether the organization certificate conforms to the provisions of this chapter; (2) the general character and fitness of the subscribers thereto; and (3) the economic advisability of establishing the proposed Federal credit union. Upon approval of such organization certificate by the Governor it shall be the charter of the corporation, and one of the originals thereof shall be delivered to the corporation after the payment of the fee required therefor. (June 26, 1934, ch. 750, § 4, 48 Stat. 1217.)

§ 1755. Fees.—For the purpose of paying the cost incident to the ascertainment of whether an organization certificate should be approved the subscribers to any such certificate shall pay, at the time of filing their organization certificate, the amount prescribed by the Governor, which shall not exceed \$20 in any case; and on the approval of any organization certificate they shall also pay a fee of \$5. During December of each calendar year each Federal credit union shall pay to the Administration a fee of not to exceed \$10, to be fixed by the Governor, for the cost of supervision: *Provided, however,* That no such annual fee shall be payable by such an organization for the fractional part of the first calendar year during which it is formed. All such fees shall be deposited with the Treasurer of the United States for the account of the Administration and may be expended by the Governor for such administrative and other expenses incurred in carrying out the provisions hereof as he may determine to be proper, the purpose of such fees being to defray, as far as practicable, the administrative and supervisory costs incident to the carrying out of this chapter. (June 26, 1934, ch. 750, § 5, 48 Stat. 1217.)

§ 1756. Reports and examinations.—Federal credit unions shall be under the supervision of the Governor, and shall make such financial reports to him (at least annually) as he may require. Each Federal credit union shall be subject to examination by, and for this purpose shall make its books and records accessible to, any person designated by the Governor. The Governor shall fix a scale of examination fees to be paid by Federal credit unions, giving due consideration to the time and expense incident to such examinations, and to the ability of Federal credit unions to pay such fees, which fees shall be assessed against and paid by each

Federal credit union promptly after the completion of such examination. Examination fees collected under the provisions of this section shall be deposited to the credit of the special fund created by section 1755 hereof, and shall be available for the purposes specified in said section 1755. (June 26, 1934, ch. 750, § 6, 48 Stat. 1218; Dec. 6, 1937, ch. 3, § 1, 51 Stat. 4.)

§ 1756a. **Reimbursement of Farm Credit Administration personnel for use of private automobiles for examining, supervising, and servicing credit unions.**—Officers and employees of the Farm Credit Administration who under proper authorization use privately owned automobiles in the performance of official travel within the corporate limits of their official stations for the purpose of examining, supervising, or servicing Federal credit unions located within said corporate limits, may be reimbursed for such travel at a rate not to exceed 3 cents per mile. (July 22, 1942, ch. 516, § 1, 56 Stat. 700.)

CROSS REFERENCES

Transfer of functions, etc., for duration of war to Federal Deposit Insurance Corporation, see Ex. Ord. No. 9148, under section 1751.

§ 1757. **Powers.**—A Federal credit union shall have succession in its corporate name during its existence and shall have power—

- (1) To make contracts.
- (2) To sue and be sued.
- (3) To adopt and use a common seal and alter the same at pleasure.
- (4) To purchase, hold, and dispose of property necessary and incidental to its operations.

(5) To make loans with maturities not exceeding two years to its members for provident or productive purposes upon such terms and conditions as this chapter and the bylaws provide and as the credit committee may approve, at rates of interest not exceeding 1 per centum per month on unpaid balances (inclusive of all charges incident to making the loan): *Provided*, That no loans to a director, officer, or member of a committee shall exceed the amount of his holdings in the Federal credit union as represented by shares thereof. No director, officer, or committee member shall endorse for borrowers. A borrower may repay his loan, prior to maturity, in whole or in part on any business day.

(6) To receive from its members payments on shares.

(7) To invest its funds (a) in loans exclusively to members; (b) in obligations of the United States of America, or securities fully guaranteed as to principal and interest thereby; (c) in accordance with rules and regulations prescribed by the Governor, in loans to other credit unions in the total amount not exceeding 25 per centum of its paid-in and unimpaired capital and surplus; (d) and in shares or accounts of Federal savings and loan associations.

(8) To make deposits in national banks and in State banks, trust companies, and mutual savings banks operating in accordance with the laws of the State in which the Federal credit union does business.

(9) To borrow (from any source) in an aggregate amount not exceeding 50 per centum of its paid-in and unimpaired capital and surplus: *Provided*, That any Federal credit union may discount with or sell to any Federal intermediate credit bank any eligible obligations up to the amount of its paid-in and unimpaired capital, subject to such rules and regulations as may be prescribed by the Governor.

(10) To fine members, in accordance with the bylaws, for failure to meet promptly their obligations to the Federal credit union.

(11) To impress and enforce a lien upon the shares and dividends of any member, to the extent of any loan made to him and any dues or fines payable by him.

(12) To exercise such incidental powers as shall be necessary or requisite to enable it to carry on effectively the business for which it is incorporated. (June 26, 1934, ch. 750, § 7, 48 Stat. 1218; Dec. 6, 1937, ch. 3, § 2, 51 Stat. 4.)

§ 1758. **Bylaws.**—In order to simplify the organization of Federal credit unions the Governor shall, on June 26, 1934, cause to be prepared a form of organization certificate and a form of bylaws, consistent with this chapter, which shall be used by Federal credit union incorporators, and shall be supplied to them on request. At the time of presenting the organization certificate the incorporators shall also submit proposed bylaws to the Governor for his approval. (June 26, 1934, ch. 750, § 8, 48 Stat. 1219.)

§ 1759. **Membership.**—Federal credit union membership shall consist of the incorporators and such other persons and incorporated and unincorporated organizations, to the extent permitted by rules and regulations prescribed by the Governor, as may be elected to membership and as shall, each, subscribe to at least one share of its stock and pay the initial installment thereon and the entrance fee; except that Federal credit union membership shall be limited to groups having a common bond of occupation, or association, or to groups within a well-defined neighborhood, community, or rural district. (June 26, 1934, ch. 750, § 9, 48 Stat. 1219.)

§ 1760. **Members' meetings.**—The fiscal year of all Federal credit unions shall end December 31. The annual meeting of each Federal credit union shall be held at such time during the month of the following January and at such place as its bylaws shall prescribe. Special meetings may be held in the manner indicated in the bylaws. No member shall be entitled to vote by proxy, but a member other than a natural person may vote through an agent designated for the purpose. Irrespective of the number of shares held by him, no member shall have more than one vote. (June 26, 1934, ch. 750, § 10, 48 Stat. 1219.)

§ 1761. **Management—(a) Generally.**—The business affairs of a Federal credit union shall be managed by a board of not less than five directors, a credit committee of not less than three members, and a supervisory committee of three members (a majority of whom shall not be directors) all to be elected by the members (and from their number) at their annual meeting, and to hold office for such terms, respectively, as the bylaws may pro-

vide. A record of the names and addresses of the members of the board and committees and officers shall be filed with the Administration within ten days after their election. No member of the board or of either committee shall, as such, be compensated.

(b) Officers.—At their first meeting after the annual meeting of the members, the directors shall elect from their number a president, a vice president, a clerk, and a treasurer, who shall be the executive officers of the corporation and may be compensated for their services to such extent as the bylaws may provide. The offices of clerk and treasurer may be held by the same person. The duties of the officers shall be as determined by the bylaws, except that the treasurer shall be the general manager of the corporation. Before the treasurer shall enter upon his duties he shall give bond with good and sufficient surety, in an amount and character to be determined from time to time by the board of directors, conditioned upon the faithful performance of his trust.

(c) Directors.—The board of directors shall meet at least once a month and shall have the general direction and control of the affairs of the corporation. Minutes of all such meetings shall be kept. Among other things they shall act upon applications for membership; fix the amount and character of the surety bond required of any officer having custody of funds; recommend the declaration of dividends; fill vacancies in the board and in the credit committee until successors elected at the next annual meeting have qualified; have charge of investments other than loans to members; determine from time to time the maximum number of shares that may be held by any individual; and, subject to the limitations of this chapter, determine the interest rates on loans and the maximum amount that may be loaned with or without security to any member.

(d) Credit committee.—The credit committee shall hold such meetings as the business of the Federal credit union may require and not less frequently than once a month (of which meetings due notice shall be given to members of the committee by the treasurer) to consider applications for loans. No loan shall be made unless approved by a majority of the entire committee and by all of the members of the committee who are present at the meeting at which the application is considered. Applications for loans shall be made on forms prepared by such committee, which shall set forth the purpose for which the loan is desired, the security, if any, and such other data as may be required. No loan in excess of \$100 shall be made without adequate security and no loan shall be made to any member in excess of \$200 or 10 per centum of the Federal credit union's paid-in and unimpaired capital and surplus, whichever is greater. For the purposes of this subdivision an assignment of shares or the endorsement of a note shall be deemed security.

(e) Supervisory committee.—The supervisory committee shall make, at least quarterly, an examination of the affairs of the Federal credit union, including an audit of its books; shall make an annual audit and a report to be submitted at the annual meeting of the corporation; and, by a unanimous vote, may suspend any officer of the corporation, or any member of the credit com-

mittee or of the board of directors until the next members' meeting, which said meeting, however, shall be held within seven days of said suspension and at which meeting said suspension shall be acted upon by the members; and, by a majority vote, may call a special meeting of the shareholders to consider any violation of this chapter, the charter, or of the bylaws, or any practice of the corporation deemed by the committee to be unsafe or unauthorized. The said committee shall fill vacancies in its own membership until successors to be elected at the next annual meeting have qualified. The supervisory committee shall cause the passbooks and accounts of the members to be verified with the records of the treasurer from time to time and not less frequently than once every two years. (June 26, 1934, ch. 750, § 11, 48 Stat. 1219; June 15, 1940, ch. 366, 54 Stat. 398.)

§ 1762. Reserves.—All entrance fees and fines provided by the bylaws and 20 per centum of the net earnings of each year, before the declaration of any dividends, shall be set aside, subject to terms and conditions specified in the bylaws, as a reserve fund against possible bad loans. (June 26, 1934, ch. 750, § 12, 48 Stat. 1221.)

§ 1763. Dividends.—At the annual meeting a dividend may be declared from the remaining net earnings on recommendation of the board of directors, which dividend shall be paid on all paid-up shares outstanding at the end of the preceding fiscal year. Shares which become fully paid up during such year shall be entitled to a proportional part of said dividend calculated from the 1st day of the month following such payment in full. (June 26, 1934, ch. 750, § 13, 48 Stat. 1221.)

§ 1764. Expulsion and withdrawal.—A member may be expelled by a two-thirds vote of the members of a Federal credit union present at a special meeting called for the purpose, but only after an opportunity has been given him to be heard. Withdrawal or expulsion of a member shall not operate to relieve him from liability to the Federal credit union. The amount to be paid a withdrawing or expelled member by a Federal credit union shall be determined and paid in the manner specified in the bylaws. (June 26, 1934, ch. 750, § 14, 48 Stat. 1221.)

§ 1765. Minors.—Shares may be issued in the name of a minor or in trust, subject to such conditions as may be prescribed by the bylaws. The name of the beneficiary shall be disclosed to the Federal credit union. (June 26, 1934, ch. 750, § 15, 48 Stat. 1221.)

§ 1766. Certain powers of Governor.—(a) The Governor may prescribe rules and regulations for the administration of this chapter (including, but not by way of limitation, the merger, consolidation, and/or dissolution of corporations organized under this chapter).

(b) The Governor may suspend or revoke the charter of any Federal credit union upon his finding that the organization is bankrupt or insolvent or has violated any provisions of its charter, its bylaws, or of this chapter, or of any regulations issued thereunder.

(c) The Governor is hereby authorized and empowered to execute any and all functions and perform and all duties vested in him hereby, through such persons as he shall designate or employ; and he may delegate to any person or persons, including any institution operating under the general supervision of the Administration, the performance and discharge of any authority, power, or function vested in him by this chapter.

(d) All books and records of Federal credit unions shall be kept and reports shall be made in accordance with forms approved by the Governor.

(e) The Governor is hereby authorized to make investigations and to conduct researches and studies of the problems of persons of small means in obtaining credit at reasonable rates of interest, and of the methods and benefits of cooperative saving and lending among such persons. He is further authorized to make reports of such investigations and to publish and disseminate the same. (June 26, 1934, ch. 750, § 16, 48 Stat. 1221; Dec. 6, 1937, ch. 3, § 3, 51 Stat. 4.)

§ 1767. Fiscal agents and depositories.—Each Federal credit union organized under this chapter, when requested by the Secretary of the Treasury, shall act as fiscal agent of the United States and shall perform such services as the Secretary of the Treasury may require in connection with the collection of taxes and other obligations due the United States and the lending, borrowing, and repayment of money by the United States, including the issue, sale, redemption, or repurchase of bonds, notes, Treasury certificates of indebtedness, or other obligations of the United States; and to facilitate such purposes the Governor shall furnish to the Secretary of the Treasury from time to time the names and addresses of all Federal credit unions with such other available information concerning them as may be requested by the Secretary of the Treasury. Any Federal credit union organized under this chapter, when designated for that purpose by the Secretary of the Treasury, shall be a depository of public money, except receipts from customs, under such regulations as may be prescribed by the Secretary of the Treasury. (June 26, 1934, ch. 750, § 17, 48 Stat. 1222.)

§ 1768. Taxation.—The Federal credit unions organized hereunder, their property, their franchises, capital, reserves, surpluses, and other funds, and their income shall be exempt from all taxation now or hereafter imposed by the United States or by any State, Territorial, or local taxing authority; except that any real property and any tangible personal property of such Federal credit unions shall be subject to Federal, State, Territorial, and local taxation to the same extent as other similar property is taxed. Nothing herein contained shall prevent holdings in any Federal credit union organized hereunder from being included in the valuation of the personal property of the owners or holders thereof in assessing taxes imposed by authority of the State or political subdivision thereof in which the Federal credit union is located: *Provided, however,* That the duty or burden of collecting or enforcing the payment of such tax shall not be imposed upon any such Federal credit union and the tax shall not

exceed the rate of taxes imposed upon holdings in domestic credit unions. (June 26, 1934, ch. 750, § 18, 48 Stat. 1222; Dec. 6, 1937, ch. 3, § 4, 51 Stat. 4.)

§ 1769. **Appropriation for administration.**—Not to exceed \$50,000 of the fund available to the Governor under section 1404 of this title, for expenses of administration in connection with loans made thereunder to aid in the establishment of agricultural credit corporations, is hereby made available also for administrative expenses in administering this chapter. (June 26, 1934, ch. 750, § 19, 48 Stat. 1222.)

§ 1770. **Separability of provisions; right to alter, amend, or repeal chapter.**—(a) If any provision of this chapter, or the application thereof to any person or circumstance, is held invalid, the remainder of the chapter, and the application of such provisions to other persons or circumstances, shall not be affected thereby.

(b) The right to alter, amend, or repeal this chapter or any part thereof, or any charter issued pursuant to the provisions of this chapter, is expressly reserved. (June 26, 1934, ch. 750, § 20, 48 Stat. 1222.)

§ 1771. **Allotment of space in Federal buildings.**—Upon application by any credit union organized under State law or by any Federal credit union organized in accordance with the terms of this chapter, the membership of which is composed exclusively of Federal employees and members of their families, which application shall be addressed to the officer or agency of the United States charged with the allotment of space in the Federal buildings in the community or district in which said credit union or Federal credit union does business, such officer or agency may in his or its discretion allot space to such credit union if space is available without charge for rent or services. (June 26, 1934, ch. 750, § 21, as added July 9, 1937, ch. 471, 50 Stat. 487.)

§§ 1757-1771.

CROSS REFERENCES

Transfer of functions, etc., for duration of war to Federal Deposit Insurance Corporation, see Ex. Ord. No. 9148, under section 1751.

TITLE 13—CENSUS

COTTON STATISTICS

§ 71. **Collection and publication.**—The Director of the Census is authorized and directed to collect and publish statistics concerning the amount of cotton ginned; the quantity of raw cotton consumed in manufacturing establishments of every character; the quantity of baled cotton on hand; the number of active consuming cotton spindles; the number of active spindle hours, and the quantity of cotton imported and exported, with the country of origin and destination. (Apr. 2, 1924, ch. 80, § 1, 43 Stat. 31; June 18, 1929, ch. 28, § 21, 46 Stat. 26.)

REPEAL OF INCONSISTENT PROVISIONS

Act July 22, 1912, ch. 249, 37 Stat. 249, and all other laws or parts of laws inconsistent with sections 71, 72, and 73-76 of this title were repealed by act Apr. 2, 1924, ch. 80, § 7, 43 Stat. 32.

§ 72. Contents and distribution of reports; publication by Department of Agriculture.—The statistics of the quantity of cotton ginned shall show the quantity ginned from each crop prior to August 1, August 16, September 1, September 16, October 1, October 18, November 1, November 14, December 1, December 13, January 16, and March 1: *Provided*, That the Director of the Census may limit the canvasses of August 1 and August 16, to those sections of the cotton-growing States in which cotton has been ginned. The quantity of cotton consumed in manufacturing establishments, the quantity of baled cotton on hand, the number of active consuming cotton spindles, the number of active spindle hours, and the statistics of cotton imported and exported shall relate to each calendar month, and shall be published as soon as possible after the close of the month. Each report published by the Bureau of the Census of the quantity ginned shall carry with it the latest available statistics concerning the quantity of cotton consumed, stocks of baled cotton on hand, the number of cotton-consuming spindles, and the quantity of cotton imported and exported.

All of these publications containing statistics of cotton shall be mailed by the Director of the Census to all cotton ginners, cotton manufacturers, and cotton warehousemen, and to all daily newspapers throughout the United States. The Director of the Census shall furnish to the Department of Agriculture, immediately prior to the publication of each report of that bureau regarding the cotton crop, the latest available statistics mentioned in this and the preceding section and the said Department of Agriculture shall publish the same in connection with each of its reports concerning cotton. (Apr. 2, 1924, ch. 80, § 2, 43 Stat. 31; June 18, 1929, ch. 28, § 21, 46 Stat. 26.)

REPEAL OF INCONSISTENT PROVISIONS

See note under section 71 of this title.

§ 72a. Contents of reports; separate item of number of bales of linter.—In collecting and publishing statistics of cotton on hand in warehouses and other storage establishments, and to cotton known as the “carry-over” in the United States, the Director of the Census is hereby directed to ascertain and publish as a separate item in the report of cotton statistics the number of bales of linters as distinguished from the number of bales of cotton. (June 27, 1930, ch. 639, 46 Stat. 821.)

§ 75. Foreign cotton statistics.—In addition to the information regarding cotton in the United States provided for in sections 71, 72, and 74, the Director of the Census shall compile, by correspondence or the use of published reports and documents, any available information concerning the production, consumption, and stocks of cotton in foreign countries, and the number of cotton-consuming spindles in such countries. Each report published by the Bureau of the Census regarding cotton shall contain an abstract of the latest available information obtained under the provisions of this section, and the Director of the Census shall furnish the same to the Department of Agriculture for publication in connection with the reports of that department

concerning cotton in the same manner as in the case of statistics relating to the United States. (Apr. 2, 1924, ch. 80, § 5, 43 Stat. 32; June 18, 1929, ch. 28, § 21, 46 Stat. 26.)

§ 76. **Simultaneous publication of cotton reports.**—The reports of cotton ginned to the dates as of which the Department of Agriculture is also required to issue cotton crop reports shall be issued simultaneously with the cotton crop reports of that department, the two reports to be issued from the same place at eleven o'clock antemeridian on the eighth day following that on which the respective reports relate. When such date of release falls on Sunday or a legal holiday the reports shall be issued at eleven o'clock antemeridian on the next succeeding workday. (Apr. 2, 1924, ch. 80, § 6, 43 Stat. 32; June 18, 1929, ch. 28, § 21, 46 Stat. 26.)

COTTONSEED STATISTICS

§ 81. **Collection and publication.**—The Director of the Census is authorized and directed to collect and publish monthly statistics concerning the quantity of cottonseed received at oil mills, the quantity of seed crushed in such mills, the quantity of crude cotton seed products and refined oil produced, the quantities of these products shipped out of the mills and the quantities of these products and of cottonseed on hand, the quantities of crude and refined cottonseed oil held by refiners, by manufacturers of compound lard, butterine, oleomargarine, and soap, and by brokers, exporters, and warehousemen, engaged in handling crude and refined cottonseed oil, and the quantity of cotton seed and cottonseed products imported and exported: *Provided*, That the cost of the collection and publication of the statistics provided for in this section shall not exceed \$10,000 per annum. Aug. 7, 1916, ch. 274, § 1, 39 Stat. 436.)

§ 84. **Explosive and medicated cotton products.**—The Director of the Census is authorized and directed to collect and publish quarterly statistics of raw and prepared cotton and linters, cotton waste, and hull fiber consumed in the manufacture of guncotton and explosives of all kinds, and of absorbent and medicated cotton, and the quantity held in such establishments at the end of each quarter. The statistics herein provided for are in addition to those collected in compliance with the Act of Congress approved July twenty-second, nineteen hundred and twelve, the provisions of that Act being made applicable to and governing the collection and publication of the data. (Aug. 7, 1916, ch. 274, § 4, 39 Stat. 437.)

FIFTEENTH AND SUBSEQUENT DECENNIAL CENSUSES

§ 201. **Authorization of decennial censuses; scope of inquiries; territory included.**—A census of population, agriculture, irrigation, drainage, distribution, unemployment, and mines shall be taken by the Director of the Census in the year 1930 and every ten years thereafter. The census herein provided for shall include each State, the District of Columbia, Alaska, Hawaii, and Puerto Rico. A census of Guam, Samoa, and the Virgin Islands shall be taken

in the same year by the respective governors of said islands and a census of the Panama Canal Zone by the Governor of the Canal Zone, all in accordance with plans prescribed or approved by the Director of the Census. (June 18, 1929, ch. 28, § 1, 46 Stat. 21; May 17, 1932, ch. 190, 47 Stat. 158.)

§ 204. Inquiries in schedules; number, form, and subdivision.—The fifteenth and subsequent censuses shall be restricted to inquiries relating to population, to agriculture, to irrigation, to drainage, to distribution, to unemployment, and to mines. The number, form, and subdivision of the inquiries in the schedules used to take the census shall be determined by the Director of the Census, with the approval of the Secretary of Commerce. (June 18, 1929, ch. 28, § 4, 46 Stat. 22.)

§ 206. Inquiries as to population and agriculture; when taken.—The census of the population and of agriculture required by section 201 of this title shall be taken as of the 1st day of April, and it shall be the duty of each enumerator to commence the enumeration of his district on the day following unless the Director of the Census in his discretion shall change the date of commencement of the enumeration in said district by reason of climatic or other conditions which would materially interfere with the proper conduct of the work; but in any event it shall be the duty of each enumerator to prepare the returns hereinbefore required to be made and to forward the same to the supervisor of his district within thirty days from the commencement of the enumeration of his district: *Provided*, That in any city having two thousand five hundred inhabitants or more under the preceding census the enumeration of the population shall be completed within two weeks from the commencement thereof. (June 18, 1929, ch. 28, § 6, 46 Stat. 23.)

§ 215. Information pertinent to census work; authority of Secretary of Commerce to call on other departments and officers of Government.—The Secretary of Commerce, whenever he may deem it advisable, on request of the Director of the Census, is hereby authorized to call upon any other department or office of the Government for information pertinent to the work herein provided for. (June 18, 1929, ch. 28, § 15, 46 Stat. 25.)

§ 216. Census of agriculture and livestock; decennial census; scope of inquiries; schedules; employees.—There shall be in the year 1935, and once every ten years thereafter, a census of agriculture and livestock, which shall show the acreage of farm land, the acreage of the principal crops, and the number and value of domestic animals on the farms and ranges of the country. The schedule employed in this census shall be prepared by the Director of the Census. Such census shall be taken as of the 1st day of January and shall relate to the crop year. The Director of the Census may appoint enumerators or special agents for the purpose of this census in accordance with the provisions of chapter 1 of this title. (June 18, 1929, ch. 28, § 16, 46 Stat. 25.)

TITLE 15—COMMERCE AND TRADE

FEDERAL TRADE COMMISSION

§ 45. Unfair methods of competition unlawful; prevention by Commission—(a) Declaration of unlawfulness; power to prohibit unfair practices.—Unfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce, are hereby declared unlawful.

The Commission is hereby empowered and directed to prevent persons, partnerships, or corporations, except banks, common carriers subject to the Acts to regulate commerce, air carriers and foreign air carriers subject to chapter 9 of Title 49, and persons, partnerships, or corporations subject to sections 181-203, 205-228 and 229 of Title 7, except as provided in section 227 of said title, from using unfair methods of competition in commerce and unfair or deceptive acts or practices in commerce.

(b) Proceeding by Commission; modifying and setting aside orders.—Whenever the Commission shall have reason to believe that any such person, partnership, or corporation has been or is using any unfair method of competition or unfair or deceptive act or practice in commerce, and if it shall appear to the Commission that a proceeding by it in respect thereof would be to the interest of the public, it shall issue and serve upon such person, partnership, or corporation a complaint stating its charges in that respect and containing a notice of a hearing upon a day and at a place therein fixed at least thirty days after the service of said complaint. The person, partnership, or corporation so complained of shall have the right to appear at the place and time so fixed and show cause why an order should not be entered by the Commission requiring such person, partnership, or corporation to cease and desist from the violation of the law so charged in said complaint. Any person, partnership, or corporation may make application, and upon good cause shown may be allowed by the Commission to intervene and appear in said proceeding by counsel or in person. The testimony in any such proceeding shall be reduced to writing and filed in the office of the Commission. If upon such hearing the Commission shall be of the opinion that the method of competition or the act or practice in question is prohibited by sections 41-46 and 47-58 of this title, it shall make a report in writing in which it shall state its findings as to the facts and shall issue and cause to be served on such person, partnership, or corporation an order requiring such person, partnership, or corporation to cease and desist from using such method of competition or such act or practice. Until the expiration of the time allowed for filing a petition for review, if no such petition has been duly filed within such time, or, if a petition for review has been filed within such time then until the transcript of the record in the proceeding has been filed in a circuit court of appeals of the United States, as hereinafter provided, the Commission may at any time, upon such notice and in such manner as it shall deem proper, modify or set aside, in whole or in part, any report or any order made or issued by it under this section. After the expiration of the time allowed for

filing a petition for review, if no such petition has been duly filed within such time, the Commission may at anytime, after notice and opportunity for hearing, reopen and alter, modify, or set aside, in whole or in part, any report or order made or issued by it under this section, whenever in the opinion of the Commission conditions of fact or of law have so changed as to require such action or if the public interest shall so require: *Provided, however,* That the said person, partnership, or corporation may, within sixty days after service upon him or it of said report or order entered after such a reopening, obtain a review thereof in the appropriate circuit court of appeals of the United States, in the manner provided in subsection (c) of this section.

(c) Review of order; rehearing.—Any person, partnership, or corporation required by an order of the Commission to cease and desist from using any method of competition or act or practice may obtain a review of such order in the circuit court of appeals of the United States, within any circuit where the method of competition or the act or practice in question was used or where such person, partnership, or corporation resides or carries on business, by filing in the court, within sixty days from the date of the service of such order, a written petition praying that the order of the Commission be set aside. A copy of such petition shall be forthwith served upon the Commission, and thereupon the Commission forthwith shall certify and file in the court a transcript of the entire record in the proceeding, including all the evidence taken and the report and order of the Commission. Upon such filing of the petition and transcript the court shall have jurisdiction of the proceeding and of the question determined therein, and shall have power to make and enter upon the pleadings, evidence, and proceedings set forth in such transcript a decree affirming, modifying, or setting aside the order of the Commission, and enforcing the same to the extent that such order is affirmed, and to issue such writs as are ancillary to its jurisdiction or are necessary in its judgment to prevent injury to the public or to competitors pendente lite. The findings of the Commission as to the facts, if supported by evidence, shall be conclusive. To the extent that the order of the Commission is affirmed, the court shall thereupon issue its own order commanding obedience to the terms of such order of the Commission. If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceedings before the Commission, the court may order such additional evidence to be taken before the Commission and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The Commission may modify its findings as to the facts, or make new findings by reason of the additional evidence so taken, and it shall file such modified or new findings, which, if supported by evidence, shall be conclusive, and its recommendation, if any, for the modification or setting aside of its original order, with the return of such additional evidence. The judgment and decree of the

court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari, as provided in section 347 of Title 28.

(d) Jurisdiction of court.—The jurisdiction of the circuit court of appeals of the United States to affirm, enforce, modify or set aside orders of the Commission shall be exclusive.

(e) Precedence of proceedings; exemption from liability.—Such proceedings in the circuit court of appeals shall be given precedence over other cases pending therein, and shall be in every way expedited. No order of the Commission or judgment of court to enforce the same shall in anywise relieve or absolve any person, partnership, or corporation from any liability under the Antitrust Acts.

(f) Service of complaints, orders and other processes; return.—Complaints, orders, and other processes of the Commission under this section may be served by anyone duly authorized by the Commission, either (a) by delivering a copy thereof to the person to be served, or to a member of the partnership to be served, or the president, secretary, or other executive officer or a director of the corporation to be served; (b) by leaving a copy thereof at the residence or the principal office or place of business of such person, partnership, or corporation; or (c) by registering and mailing a copy thereof addressed to such person, partnership, or corporation at his or its residence or principal office or place of business. The verified return by the person so serving said complaint, order, or other process setting forth the manner of said service shall be proof of the same, and the return post office receipt for said complaint, order, or other process registered and mailed as aforesaid shall be proof of the service of the same.

(g) Finality of order.—An order of the Commission to cease and desist shall become final—

(1) Upon the expiration of the time allowed for filing a petition for review, if no such petition has been duly filed within such time; but the Commission may thereafter modify or set aside its order to the extent provided in the last sentence of subsection (b); or

(2) Upon the expiration of the time allowed for filing a petition for certiorari, if the order of the Commission has been affirmed, or the petition for review dismissed by the circuit court of appeals, and no petition for certiorari has been duly filed; or

(3) Upon the denial of a petition for certiorari, if the order of the Commission has been affirmed or the petition for review dismissed by the circuit court of appeals; or

(4) Upon the expiration of thirty days from the date of issuance of the mandate of the Supreme Court, if such Court directs that the order of the Commission be affirmed or the petition for review dismissed.

(h) Same; order modified or set aside by Supreme Court.—If the Supreme Court directs that the order of the Commission be modified or set aside, the order of the Commission rendered in accordance with the mandate of the Supreme Court shall become final upon the expiration of thirty days from the time it was rendered, unless within such thirty days either party has

instituted proceedings to have such order corrected to accord with the mandate, in which event the order of the Commission shall become final when so corrected.

(i) Same; order modified or set aside by Circuit Court of Appeals.—If the order of the Commission is modified or set aside by the circuit court of appeals, and if (1) the time allowed for filing a petition for certiorari has expired and no such petition has been duly filed, or (2) the petition for certiorari has been denied, or (3) the decision of the court has been affirmed by the Supreme Court, then the order of the Commission rendered in accordance with the mandate of the circuit court of appeals shall become final on the expiration of thirty days from the time such order of the Commission was rendered, unless within such thirty days either party has instituted proceedings to have such order corrected so that it will accord with the mandate, in which event the order of the Commission shall become final when so corrected.

(j) Same; rehearing upon order or remand.—If the Supreme Court orders a rehearing; or if the case is remanded by the circuit court of appeals to the Commission for a rehearing, and if (1) the time allowed for filing a petition for certiorari has expired, and no such petition has been duly filed, or (2) the petition for certiorari has been denied, or (3) the decision of the court has been affirmed by the Supreme Court, then the order of the Commission rendered upon such rehearing shall become final in the same manner as though no prior order of the Commission had been rendered.

(k) Definition of mandate.—As used in this section the term "mandate", in case a mandate has been recalled prior to the expiration of thirty days from the date of issuance thereof, means the final mandate.

(l) Penalty for violation of order.—Any person, partnership, or corporation who violates an order of the Commission to cease and desist after it has become final, and while such order is in effect, shall forfeit and pay to the United States a civil penalty of not more than \$5,000 for each violation, which shall accrue to the United States and may be recovered in a civil action brought by the United States. (Sept. 26, 1914, ch. 311, § 5, 38 Stat. 719; Feb. 13, 1925, ch. 229 § 2 43 Stat. 939; Mar. 21, 1938, ch. 49, § 3, 52 Stat. 111; June 23, 1938, ch. 601, § 1107 (f), 52 Stat. 1028.)

§ 48. Information and assistance from departments.—The several departments and bureaus of the Government, when directed by the President, shall furnish the commission, upon its request, all records, papers, and information in their possession relating to any corporation subject to any of the provisions of this subdivision of this chapter, and shall detail from time to time such officials and employees to the commission as he may direct. (Sept. 26, 1914, ch. 311, § 8, 38 Stat. 722.)

§ 49. Documentary evidence; depositions; witnesses.—For the purposes of sections 41-46 and 47-58 of this title the commission, or its duly authorized agent or agents, shall at all reasonable times have access to, for the purpose of examination, and the right to copy any documentary evidence of any corporation

being investigated or proceeded against; and the commission shall have power to require by subpoena the attendance and testimony of witnesses and the production of all such documentary evidence relating to any matter under investigation. Any member of the commission may sign subpoenas, and members and examiners of the commission may administer oaths and affirmations, examine witnesses, and receive evidence.

Such attendance of witnesses, and the production of such documentary evidence, may be required from any place in the United States, at any designated place of hearing. And in case of disobedience to a subpoena the commission may invoke the aid of any court of the United States in requiring the attendance and testimony of witnesses and the production of documentary evidence.

Any of the district courts of the United States within the jurisdiction of which such inquiry is carried on may, in case of contumacy or refusal to obey a subpoena issued to any corporation or other person, issue an order requiring such corporation or other person to appear before the commission, or to produce documentary evidence if so ordered, or to give evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

Upon the application of the Attorney General of the United States, at the request of the commission, the district courts of the United States shall have jurisdiction to issue writs of mandamus commanding any person or corporation to comply with the provisions of sections 41-46 and 47-58 of this title or any order of the commission made in pursuance thereof.

The commission may order testimony to be taken by deposition in any proceeding or investigation pending under sections 41-46 and 47-58 of this title at any stage of such proceeding or investigation. Such depositions may be taken before any person designated by the commission and having power to administer oaths. Such testimony shall be reduced to writing by the person taking the deposition, or under his direction, and shall then be subscribed by the deponent. Any person may be compelled to appear and depose and to produce documentary evidence in the same manner as witnesses may be compelled to appear and testify and produce documentary evidence before the commission as hereinbefore provided.

Witnesses summoned before the commission shall be paid the same fees and mileage that are paid witnesses in the courts of the United States, and witnesses whose depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

No person shall be excused from attending and testifying or from producing documentary evidence before the commission or in obedience to the subpoena of the commission on the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to criminate him or subject him to a penalty or forfeiture. But no natural person shall be prosecuted or subjected to any penalty or forfeiture for or on

account of any transaction, matter, or thing concerning which he may testify, or produce evidence, documentary or otherwise, before the commission in obedience to a subpoena issued by it: *Provided*, That no natural person so testifying shall be exempt from prosecution and punishment for perjury committed in so testifying. (Sept. 26, 1914, ch. 311, § 9, 38 Stat. 722.)

§ 50. Offenses and penalties.—Any person who shall neglect or refuse to attend and testify, or to answer any lawful inquiry or to produce documentary evidence, if in his power to do so, in obedience to the subpoena or lawful requirement of the commission, shall be guilty of an offense and upon conviction thereof by a court of competent jurisdiction shall be punished by a fine of not less than \$1,000 nor more than \$5,000, or by imprisonment for not more than one year, or by both such fine and imprisonment.

Any person who shall willfully make, or cause to be made, any false entry or statement of fact in any report required to be made under sections 41-46 and 47-58 of this title, or who shall willfully make, or cause to be made, any false entry in any account, record, or memorandum kept by any corporation subject to sections 41-46 and 47-58 of this title, or who shall willfully neglect or fail to make, or to cause to be made, full, true, and correct entries in such accounts, records, or memoranda of all facts and transactions appertaining to the business of such corporation, or who shall willfully remove out of the jurisdiction of the United States, or willfully mutilate, alter, or by any other means falsify any documentary evidence of such corporation, or who shall willfully refuse to submit to the commission or to any of its authorized agents, for the purpose of inspection and taking copies, any documentary evidence of such corporation in his possession or within his control, shall be deemed guilty of an offense against the United States, and shall be subject, upon conviction in any court of the United States of competent jurisdiction, to a fine of not less than \$1,000 nor more than \$5,000, or to imprisonment for a term of not more than three years, or to both such fine and imprisonment.

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(Sept. 26, 1914, ch. 311, § 10, 38 Stat. 723.)

§54. Dissemination of false advertisements; penalties—(a) Imposition of penalties.—Any person, partnership, or corporation who violates any provision of section 52 (a) of this title shall, if the use of the commodity advertised may be injurious to health because of results from such use under the conditions prescribed in the advertisement thereof, or under such conditions as are customary or usual, or if such violation is with intent to defraud or mislead, be guilty of a misdemeanor, and upon conviction shall be punished by a fine of not more than \$5,000 or by imprisonment for not more than six months, or by both such fine and imprisonment; except that if the conviction is for a violation committed after a first conviction of such person, partnership, or corporation, for any violation of such section, punishment shall be by a fine of not more than \$10,000

or by imprisonment for not more than one year, or by both such fine and imprisonment: *Provided*, That for the purposes of this section meats and meat food products duly inspected, marked, and labeled in accordance with rules and regulations issued under sections 71-93 of Title 21, as amended, shall be conclusively presumed not injurious to health at the same time the same leave official "establishments."

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(Sept. 26, 1914, ch. 311, § 14, as added Mar. 21, 1939, ch. 49, § 4, 52 Stat. 114.)

MEAT INSPECTION ACT

Sections 71-93 of Title 21, Food and Drugs, to which reference is made in text, comprise the Meat Inspection Act approved March 4, 1907.

§ 56. Proceedings to enforce penalty for violation of order.—Whenever the Federal Trade Commission has reason to believe that any person, partnership, or corporation is liable to a penalty under section 54 of this title or under subsection (l) of section 45 of this title, it shall certify the facts to the Attorney General, whose duty it shall be to cause appropriate proceedings to be brought for the enforcement of the provisions of such section or subsection. (Sept. 26, 1914, ch. 311, § 16, as added Mar. 21, 1938, ch. 49, § 4, 52 Stat. 114.)

STANDARD BASKETS AND CONTAINERS

§ 251. Standards for Climax baskets.—Standards for Climax baskets for grapes and other fruits and vegetables shall be the two-quart basket, four-quart basket, and twelve-quart basket, respectively:

(a) The standard two-quart Climax basket shall be of the following dimensions: Length of bottom piece, nine and one-half inches; width of bottom piece, three and one-half inches; thickness of bottom piece, three-eighths of an inch; height of basket, three and seven-eighths inches, outside measurement; top of basket, length eleven inches and width five inches, outside measurement. Basket to have a cover five by eleven inches, when a cover is used.

(b) The standard four-quart Climax basket shall be of the following dimensions: Length of bottom piece, twelve inches; width of bottom piece, four and one-half inches; thickness of bottom piece, three-eighths of an inch; height of basket, four and eleven-sixteenths inches, outside measurement; top of basket, length fourteen inches, width six and one-fourth inches, outside measurement. Basket to have cover six and one-fourth inches by fourteen inches, when cover is used.

(c) The standard twelve-quart Climax basket shall be of the following dimensions: Length of bottom piece, sixteen inches; width of bottom piece, six and one-half inches; thickness of bottom piece, seven-sixteenths of an inch; height of basket, seven and one-sixteenth inches, outside measurement; top of basket, length nineteen inches, width nine inches, outside measurement. Basket to have cover nine inches by nineteen inches, when cover is used.

The standards for Climax baskets for mushrooms shall be those set forth above, except that a one-pound Climax basket of the following dimensions shall be standard for mushrooms when plainly stamped or marked on the side of the basket with the words "for mushrooms only": Length of bottom piece, seven and three-fourths inches; width of bottom piece, three and three-sixteenths inches; thickness of bottom piece, three-eighths of an inch; height of basket, three and five-eighths inches; top of basket; length, nine and three-eighths inches; width, four and three-eighths inches, all outside measurements. Basket to have a cover four and three-eighths by nine and three-eighths inches when cover is used. (Aug. 31, 1916, ch. 426, § 1, 39 Stat. 673; June 11, 1934, ch. 447, § 1, 48 Stat. 930.)

§ 252. Standard basket or container for small fruits and vegetables.—The standard basket or other container for small fruits, berries, and vegetables shall be of the following capacities, namely, dry one-half pint, dry pint, dry quart, or multiples of the dry quart.

(a) The dry half pint shall contain sixteen and eight-tenths cubic inches.

(b) The dry pint shall contain thirty-three and six-tenths cubic inches.

(c) The dry quart shall contain sixty-seven and two-tenths cubic inches. (Aug. 31, 1916, ch. 426, § 2, 39 Stat. 673.)

§ 253. Failure to conform to standards; penalty; exception.—It shall be unlawful to manufacture for shipment, or to sell for shipment, or to ship from any State or Territory of the United States or the District of Columbia to any other State or Territory of the United States or the District of Columbia, any Climax baskets or other containers for small fruits, berries, or vegetables, whether filled or unfilled, which do not conform to the provisions of this subdivision of this chapter, or to use in any such shipment for any commodity other than mushrooms the one-pound Climax basket provided for in section 251 of this title; and any person guilty of a willful violation of any of the provisions of said subdivision shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be fined in any sum not exceeding \$25: *Provided*, That nothing herein contained shall apply to the manufacture, sale, or shipment of Climax baskets, baskets, or other containers for small fruits, berries, and vegetables when intended for export to foreign countries when such Climax baskets, baskets, or other containers for small fruits, berries, and vegetables accord with the specifications of the foreign purchasers or comply with the law of the country to which shipment is made or to be made. (Aug. 31, 1916, ch. 426, § 3, 39 Stat. 674; June 11, 1934, ch. 447, § 2, 48 Stat. 930.)

§ 254. Examination and test by Department of Agriculture; rules and regulations.—The examination and test of Climax baskets, baskets, or other containers for small fruits, berries, and vegetables, for the purpose of determining whether such baskets or other containers comply with the provisions of this subdivision of this chapter, shall be made by the Department of Agriculture, and the Secretary of Agriculture shall establish and promulgate

rules and regulations allowing such reasonable tolerances and variations as may be found necessary. (Aug. 31, 1916, ch. 426, § 4, 39 Stat. 674.)

§ 255. **Duties of district attorney.**—It shall be the duty of each district attorney to whom satisfactory evidence of any violation of this subdivision of this chapter is presented to cause appropriate proceedings to be commenced and prosecuted in the proper court of the United States for the enforcement of the penalties as in such case provided in said subdivision. (Aug. 31, 1916, ch. 426, § 5, 39 Stat. 674.)

§ 256. **Guaranty of manufacturer of baskets or containers as defined.**—No dealer shall be prosecuted under the provisions of this subchapter when he can establish a guaranty signed by the manufacturer, wholesaler, jobber, or other party residing within the United States from whom such Climax baskets, baskets, or other containers, as defined in said subchapter, were purchased, to the effect that said Climax baskets, baskets, or other containers are correct within the meaning of said subchapter. Said guaranty, to afford protection, shall contain the name and address of the party or parties making the sale of Climax baskets, baskets, or other containers to such dealer, and in such case said party or parties shall be amenable to the prosecutions, fines, and other penalties which would attach in due course to the dealer under the provisions of this subchapter. (Aug. 31, 1916, ch. 426, § 6, 39 Stat. 674.)

STANDARD HAMPERS, ROUND STAVE BASKETS, AND SPLINT BASKETS FOR FRUITS AND VEGETABLES

§ 257. **Standard hampers and round stave baskets.**—The standard hampers and round stave baskets for fruits and vegetables shall be of the following capacities: One-eighth bushel, one-fourth bushel, one-half bushel, five-eighths bushel, three-fourths bushel, one bushel, one-and-one-fourth bushels, one--and-one-half bushels, and two bushels, which, respectively, shall be of the cubic content set forth in this section. For the purposes of this subchapter a bushel, standard dry measure, has a capacity of two thousand one hundred and fifty and forty-two one-hundredths cubic inches.

(a) The standard one-eighth-bushel hamper or round stave basket shall contain two hundred and sixty-eight and eight-tenths cubic inches.

(b) The standard one-fourth-bushel hamper or round stave basket shall contain five hundred and thirty-seven and six-tenths cubic inches.

(c) The standard one-half-bushel hamper or round stave basket shall contain one thousand and seventy-five and twenty-one one-hundredths cubic inches.

(cc) The standard five-eighths-bushel hamper or round stave basket shall contain one thousand three hundred and forty-four cubic inches.

(d) The standard three-fourths-bushel hamper or round stave basket shall contain one thousand six hundred and twelve and eight-tenths cubic inches.

(e) The standard one-bushel hamper or round stave basket shall contain two thousand one hundred and fifty and forty-two one-hundredths cubic inches.

(f) The standard one-and-one-fourth-bushel hamper or round stave basket shall contain two thousand six hundred and eighty-eight cubic inches.

(g) The standard one-and-one-half-bushel hamper or round stave basket shall contain three thousand two hundred and twenty-five and sixty-three one-hundredths cubic inches.

(h) The standard two-bushel hamper or round stave basket shall contain four thousand three hundred and eighty-four one-hundredths cubic inches. (May 21, 1928, ch. 664, § 1, 45 Stat. 685.)

§ 257a. Standard splint baskets.—The standard splint baskets for fruits and vegetables shall be the four-quart basket, eight-quart basket, twelve-quart basket, sixteen-quart basket, twenty-four quart basket, and thirty-two quart basket, standard dry measure. For the purposes of this subchapter a quart standard dry measure has a capacity of sixty-seven and two-tenths cubic inches.

(a) The four-quart splint basket shall contain two hundred and sixty-eight and eight-tenths cubic inches.

(b) The eight-quart splint basket shall contain five hundred and thirty-seven and six-tenths cubic inches.

(c) The twelve-quart splint basket shall contain eight hundred and six and four-tenths cubic inches.

(d) The sixteen-quart splint basket shall contain one thousand and seventy-five and twenty-one one-hundredths cubic inches.

(e) The twenty-four quart splint basket shall contain one thousand six hundred and twelve and eight-tenths cubic inches.

(f) The thirty-two quart splint basket shall contain two thousand one hundred and fifty and forty-two one-hundredths cubic inches. (May 21, 1928, ch. 664, § 2, 45 Stat. 685.)

§ 257b. Regulations to provide for reasonable variations in hampers and baskets; covers so attached as not to reduce capacity.—The Secretary of Agriculture shall in his regulations under this subchapter prescribe such tolerances as he may find necessary to allow in the capacities for hampers, round stave baskets, and splint baskets set forth in sections 257 and 257a of this title in order to provide for reasonable variations occurring in the course of manufacturing and handling. If a cover be used upon any hamper or basket mentioned in this subchapter, it shall be securely fastened or attached in such a manner, subject to the regulations of the Secretary of Agriculture, as not to reduce the capacity of such hamper or basket below that prescribed therefor. (May 21, 1928, ch. 664, § 3, 45 Stat. 686.)

§ 257c. Approval of manufacturers' dimension specifications by Secretary of Agriculture.—No manufacturer shall manufacture hampers, round stave baskets, or splint baskets for fruits and vegetables unless the dimension specifications for such hampers, round stave baskets, or splint baskets shall have been submitted to and approved by the Secretary of Agriculture, who is hereby directed to approve such specifications if he finds that hampers,

round stave baskets, or splint baskets for fruits and vegetables made in accordance therewith would not be deceptive in appearance and would comply with the provisions of sections 257 and 247a of this title. (May 21, 1928, ch. 664 § 4, 45 Stat. 686.)

§ 257d. Violations; what constitutes; punishment; guaranty against prosecution.—It shall be unlawful to manufacture for sale or shipment, to offer for sale, to sell, to offer for shipment, or to ship, hampers, round stave baskets, or splint baskets for fruits or vegetables, either filled or unfilled, or parts of such hampers, round stave baskets, or splint baskets that do not comply with this subchapter: *Provided*, That this subchapter shall not apply to Climax baskets, berry boxes, and till baskets which comply with the provisions of sections 251-256 of this title, and the regulations thereunder. Any individual, partnership, association, or corporation that violates this section shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not exceeding \$500: *Provided further*, That no person shall be prosecuted under the provisions of this subchapter when he can establish a guaranty signed by the manufacturer, wholesaler, shipper, or other party residing within the United States from whom the hampers, round stave baskets, or splint baskets, as defined in this subchapter, were purchased, to the effect that said hampers, round stave baskets, or splint baskets are correct, within the meaning of this subchapter. Said guaranty, to afford protection, shall contain the name and address of the party or parties making the sale of the hampers, round stave baskets, or splint baskets to such person, and in such case such party or parties making such sale shall be amenable to the prosecution, fines, and other penalties which would attach in due course under the provisions of this subchapter to the person who made the purchase. (May 21, 1928, ch. 664, § 5, 45 Stat. 686.)

§ 257e. Seizure of illegal hampers and baskets; condemnation; procedure.—Any hamper, round stave basket, or splint basket for fruit or vegetables, whether filled or unfilled, or parts of such hampers, round stave baskets, or splint baskets not complying with this subchapter, which shall be manufactured for sale or shipment, offered for sale, sold, or shipped, may be proceeded against in any district court of the United States within the district where the same shall be found and may be seized for confiscation by a process of libel for condemnation. Upon request the person entitled shall be permitted to retain or take possession of the contents of such hampers or baskets, but in the absence of such request, or when the perishable nature of such contents makes such action immediately necessary, the same shall be disposed of by destruction or sale, as the court or a judge thereof may direct. If such hampers, round stave baskets, splint baskets, or parts thereof be found in such proceeding to be contrary to this subchapter, the same shall be disposed of by destruction, except that the court may by order direct that such hampers, baskets, or parts thereof be returned to the owner thereof or sold upon the payment of the costs of such proceedings and the execution and delivery of a good and sufficient bond to

the effect that such hampers, baskets, or parts thereof shall not be sold or used contrary to law. The proceeds of any sale under this section, less legal costs and charges, shall be paid over to the person entitled thereto. The proceedings in such seizure cases shall conform as near as may be to the proceedings in admiralty, except that either party may demand trial by jury of any issue or fact joined in such case, and all such proceedings shall be at the suit and in the name of the United States. (May 21, 1928, ch. 664, § 6, 45 Stat. 686.)

§ 257f. Hampers and baskets for foreign countries; conformity to foreign specifications; banana hampers.—This subchapter shall not prohibit the manufacture for sale or shipment, offer for sale, sale, or shipment of hampers, round stave baskets, splint baskets, or parts thereof, to any foreign country in accordance with the specifications of a foreign consignee or customer not contrary to the law of such foreign country; nor shall this subchapter prevent the manufacture or use of banana hampers of the shape and character now in commercial use as shipping containers for bananas. (May 21, 1928, ch. 664, § 7, 45 Stat. 687.)

§ 257g. Duty of United States district attorneys to prosecute.—It shall be the duty of each United States district attorney to whom satisfactory evidence of any violation of this subchapter is presented to cause appropriate proceedings to be commenced and prosecuted in the proper courts of the United States in his district for the enforcement of the provisions of this subchapter. (May 21, 1928, ch. 664, § 8, 45 Stat. 687.)

§ 257h. Regulations by Secretary of Agriculture; examination and tests.—The Secretary of Agriculture shall prescribe such regulations as he may find necessary for carrying into effect the provisions of this subchapter, and shall cause such examinations and tests to be made as may be necessary in order to determine whether hampers, round stave baskets, and splint baskets, or parts thereof, subject to this subchapter, meet its requirements, and may take samples of such hampers, baskets, or parts thereof, the cost of which samples, upon request, shall be paid to the person entitled. (May 21, 1928, ch. 664, § 9, 45 Stat. 687.)

§ 257i. Carrying out purposes of statute; authority of Secretary of Agriculture; cooperation with other agencies; employment of persons and means; payment of expenses; appropriations.—For carrying out the purposes of this subchapter the Secretary of Agriculture is authorized to cooperate with State, county and municipal authorities, manufacturers, dealers, and shippers, to employ such persons and means, and to pay such expenses, including rent, printing publications, and the purchase of supplies and equipment in the District of Columbia and elsewhere, as he shall find to be necessary, and there are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary for such purposes. (May 21, 1928, ch. 664, § 10, 45 Stat. 687.)

FEDERAL CAUSTIC POISON ACT

§ 401. Citation.—This chapter may be cited as the Federal Caustic Poison Act. (Mar. 4, 1927, ch. 489, § 1, 44 Stat. 1406.)

§ 402. Definitions.—As used in this chapter, unless the context otherwise requires—

(a) The term “dangerous caustic or corrosive substance” means:

(1) Hydrochloric acid and any preparation containing free or chemically unneutralized hydrochloric acid (HCl) in a concentration of 10 per centum or more;

(2) Sulphuric acid and any preparation containing free or chemically unneutralized sulphuric acid (H_2SO_4) in a concentration of 10 per centum or more;

(3) Nitric acid or any preparation containing free or chemically unneutralized nitric acid (HNO_3) in a concentration of 5 per centum or more;

(4) Carbolic acid ($\text{C}_6\text{H}_5\text{OH}$), otherwise known as phenol, and any preparation containing carbolic acid in a concentration of 5 per centum or more;

(5) Oxalic acid and any preparation containing free or chemically unneutralized oxalic acid ($\text{H}_2\text{C}_2\text{O}_4$) in a concentration of 10 per centum or more;

(6) Any salt of oxalic acid and any preparation containing any such salt in a concentration of 10 per centum or more;

(7) Acetic acid or any preparation containing free or chemically unneutralized acetic acid ($\text{HC}_2\text{H}_3\text{O}_2$) in a concentration of 20 per centum or more;

(8) Hypochlorous acid, either free or combined, and any preparation containing the same in a concentration so as to yield 10 per centum or more by weight of available chlorine, excluding calx chlorinata, bleaching power, and chloride of lime;

(9) Potassium hydroxide and any preparation containing free or chemically unneutralized potassium hydroxide (KOH), including caustic potash and Vienna paste, in a concentration of 10 per centum or more;

(10) Sodium hydroxide and any preparation containing free or chemically unneutralized sodium hydroxide (NaOH), including caustic soda and lye, in a concentration of 10 per centum or more;

(11) Silver nitrate, sometimes known as lunar caustic, and any preparation containing silver nitrate (AgNO_3) in a concentration of 5 per centum or more; and

(12) Ammonia water and any preparation containing free or chemically uncombined ammonia (NH_3), including ammonium hydroxide and “hartshorn”, in a concentration of 5 per centum or more.

(b) The term “misbranded parcel, package, or container” means a retail parcel, package, or container of any dangerous caustic or corrosive substance not bearing a conspicuous, easily legible label or sticker, containing—

(1) The common name of the substance;

(2) The name and place of business of the manufacturer, packer, seller, or distributor;

(3) The word “poison”, running parallel with the main body of reading matter on the label or sticker, on a clear, plain background of a distinctly contrasting color, in uncondensed gothic

capital letters, the letters to be not less than twenty-four point size unless there is on the label or sticker no other type so large, in which event the type shall be not smaller than the largest type on the label or sticker; and

(4) Direction for treatment in case of accidental personal injury by any dangerous caustic or corrosive substance, except that such directions need not appear on labels or stickers, on parcels, packages, or containers at the time of shipment or of delivery for shipment by manufacturers and wholesalers for other than household use.

(c) The term "interstate or foreign commerce" means commerce between any State, Territory, or possession, or the District of Columbia, and any place outside thereof; or between points within the same State, Territory, or possession, or the District of Columbia, but through any place outside thereof, or within any Territory or possession, or the District of Columbia.

(d) This chapter not to be construed as modifying or limiting in any way the right of any person to manufacture, pack, ship, sell, barter, and distribute dangerous caustic or corrosive substances in parcels, packages, or containers, labeled as required by this chapter. (Mar. 4, 1927, ch. 489, § 2, 44 Stat. 1406.)

§ 403. Prohibition against misbranded shipments.—No person shall ship or deliver for shipment in interstate or foreign commerce or receive from shipment in such commerce any dangerous caustic or corrosive substance for sale or exchange, or sell or offer for sale any such substance in any Territory or possession or in the District of Columbia, in a misbranded parcel, package, or container suitable for household use; except that the preceding provisions of this section shall not apply—

(a) To any regularly established common carrier shipping or delivering for shipment, or receiving from shipment, any such substance in the ordinary course of its business as a common carrier; nor

(b) To any person in respect of any such substance shipped or delivered for shipment, or received from shipment, for export to any foreign country, in a parcel, package, or container branded in accordance with the specifications of a foreign purchaser and in accordance with the laws of the foreign country.

(c) To any dealer when he can establish a guaranty signed by the wholesaler, jobber, manufacturer, or other party residing in the United States, from whom he purchases such articles, to the effect that the article is not misbranded within the meaning of this chapter. This guaranty, to afford protection, shall contain the name and address of the party or parties making the sale of such article to such dealer, and in such case said party or parties shall be amenable to the prosecutions, fines, and other penalties which would attach, in due course, to the dealer under the provisions of this chapter. (Mar. 4, 1927, ch. 489, § 3, 44 Stat. 1407.)

§ 404. Libel for condemnation proceedings.—(a) Any dangerous caustic or corrosive substance in a misbranded parcel, package, or container suitable for household use shall be liable to be proceeded against in the district court of the United States for any judicial district in which the substance is found and to be

seized for confiscation by a process of libel for condemnation, if such substance is being—

- (1) Shipped in interstate or foreign commerce, or
- (2) Held for sale or exchange after having been so shipped, or
- (3) Held for sale or exchange in any Territory or possession or in the District of Columbia.

(b) If such substance is condemned as misbranded by the court it shall be disposed of in the discretion of the court—

- (1) By destruction.
- (2) By sale. The proceeds of the sale, less legal cost and charges, shall be paid into the Treasury as miscellaneous receipts. Such substance shall not be sold in any jurisdiction contrary to the provisions of this chapter or the laws of such jurisdiction, and the court may require the purchaser at any such sale to label such substance in compliance with law before the delivery thereof.

(3) By delivery to the owner thereof upon the payment of legal costs and charges and execution and delivery of a good and sufficient bond to the effect that such substance will not be sold or otherwise disposed of in any jurisdiction contrary to the provisions of this chapter or the laws of such jurisdiction.

(c) Proceedings in such libel cases shall conform, as nearly as may be, to suits in rem in admiralty, except that either party may demand trial by jury on any issue of fact, if the value in controversy exceeds \$20. In case of a jury trial the verdict of the jury shall have the same effect as a finding of the court upon the facts. All such proceedings shall be at the suit and in the name of the United States. (Mar. 4, 1927, ch. 489, § 4, 44 Stat. 1408.)

§ 405. Exclusion of misbranded imports.—(a) Whenever in the case of any dangerous caustic or corrosive substance being offered for importation the Secretary of Agriculture has reason to believe that such substance is being shipped in interstate or foreign commerce in violation of section 403 of this title, he shall give due notice and opportunity for hearing thereon to the owner or consignee and certify such fact to the Secretary of the Treasury, who shall thereupon (1) refuse admission and delivery to the consignee of such substance, or (2) deliver such substance to the consignee pending examination, hearing, and decision in the matter, on the execution of a penal bond to the amount of the full invoice value of such substance, together with the duty thereon, if any, and to the effect that on refusal to return such substance for any cause to the Secretary of the Treasury when demanded, for the purpose of excluding it from the country or for any other purpose, the consignee shall forfeit the full amount of the bond.

(b) If, after proceeding in accordance with subdivision (a), the Secretary of Agriculture is satisfied that such substance being offered for importation was shipped in interstate or foreign commerce in violation of any provision of this chapter, he shall certify the fact to the Secretary of the Treasury, who shall thereupon notify the owner or consignee and cause the sale or other disposition of such substance refused admission and delivery or

entered under bond, unless it is exported by the owner or consignee or labeled by him so as to conform to the law within three months from the date of such notice, under such regulations as the Secretary of the Treasury may prescribe. All charges for storage, cartage, or labor on any such substance refused admission or delivery or entered upon bond shall be paid by the owner or consignee. In default of such payment such charges shall constitute a lien against any future importations made by such owner or consignee. (Mar. 4, 1927, ch. 489, § 5, 44 Stat. 1408.)

§ 406. Removal of labels.—No person shall alter, mutilate, destroy, obliterate, or remove any label or sticker required by this chapter to be placed on any dangerous caustic or corrosive substance, if such substance is being—

- (a) Shipped in interstate or foreign commerce; or
- (b) Held for sale or exchange after having been so shipped; or
- (c) Held for sale or exchange in any Territory or possession or by the District of Columbia. (Mar. 4, 1927, ch. 489, § 6, 44 Stat. 1409.)

§ 407. Penalties.—Any person violating any provision of section 403 or 406 of this title shall upon conviction thereof be punished by a fine of not more than \$200 or imprisonment for not more than ninety days, or by both. (Mar. 4, 1927, ch. 489, § 7, 44 Stat. 1409.)

§ 408. Institution of libel for condemnation and criminal proceedings.—It shall be the duty of each United States district attorney to whom the Secretary of Agriculture shall report any violation of section 403 or 406 of this title or to whom any health, medical, or drug officer or agent of any State, Territory, or possession, or of the District of Columbia presents satisfactory evidence of any such violation, to cause libel for condemnation and criminal proceedings under sections 404 and 407 of this title to be commenced and prosecuted in the proper courts of the United States, without delay, for the enforcement of the condemnation and penalties provided in such sections. (Mar. 4, 1927, ch. 489, § 8, 44 Stat. 1409.)

§ 409. Enforcement of chapter.—(a) Except as otherwise specifically provided in this chapter, the Secretary of Agriculture shall enforce its provisions.

(b) For enforcing the provisions of sections 404, 405, and 407 of this title, the Secretary of Agriculture may cause investigations, inspections, analyses, and tests to be made and samples to be collected, of any dangerous caustic or corrosive substance. The Department of Agriculture shall pay to the person entitled, upon his request, the reasonable market value of any such sample taken. If it appears from the inspection, analysis, or test of any dangerous caustic or corrosive substance that such substance is in a misbranded package, parcel, or container suitable for household use, the Secretary of Agriculture shall cause notice thereof to be given to any person who may be liable for any violation of section 403 or 406 of this title in respect of such substance. Any person so notified shall be given an opportunity to be heard under regulations prescribed by the Secretary of Agriculture. If it ap-

pears that such person has violated the provisions of section 403 or 406 of this title, the Secretary of Agriculture shall at once certify the facts to the proper United States district attorney, with a copy of the results of the inspection, analysis, or test duly authenticated under oath by the person making such inspection, analysis, or test.

(c) For the enforcement of his functions under this chapter the Secretary of Agriculture is authorized—

(1) To prescribe and promulgate such regulations as may be necessary.

(2) To cooperate with any department or agency of the Government, with any State, Territory, or possession, or with the District of Columbia, or with any department, agency, or political subdivision thereof, or with any person.

(3) Subject to the civil-service laws to appoint and, in accordance with section 661-673 and 674 of Title 5, to fix the salaries of such officers and employees as may be required for the execution of the functions of the Secretary of Agriculture under this chapter and as may be provided for by the Congress from time to time.

(4) To make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere, and for law books, books of reference, and periodicals) as may be required for the execution of the functions vested in the Secretary of Agriculture by this chapter and as may be provided for by the Congress from time to time.

(5) To give notice, by publication in such manner as the Secretary of Agriculture may by regulation prescribe, of the judgment of the court in any case under the provisions of this chapter. (Mar. 4, 1927, ch. 489, § 9, 44 Stat. 1409.)

§ 410. **Separability clause.**—If any provision of this chapter is declared unconstitutional, or the applicability thereof to any person or circumstance is held invalid, the constitutionality of the remainder of the chapter and the applicability thereof to other persons and circumstances shall not be effected thereby. (Mar. 4, 1927, ch. 489, § 10, 44 Stat. 1410.)

§ 411. **Application to existing law.**—The provisions of this chapter shall be held to be in addition to and not in substitution for the provisions of the following:

(a) Sections 1-15 of Title 21.

(b) Chapter 6 of Title 7.

(c) The Act entitled "An Act to regulate the practice of pharmacy and the sale of poisons in the District of Columbia, and for other purposes", approved May 7, 1906, as amended. (Mar. 4, 1927, ch. 489, § 12, 44 Stat. 1410.)

REFERENCES IN TEXT

Chapter 6 of Title 7, Agriculture, to which reference is made in subsection (b), constitutes the Insecticide Act of 1910.

Sections 1-15 of Title 21, Food and Drugs, to which reference is made in subsection (a), constitute the Food and Drugs Act, approved June 30, 1906.

The act of May 7, 1906, to which reference is made in subsection (c), is local in nature and therefore does not appear in the code.

TEXTILE FOUNDATION

§ 501. Textile Foundation; creation of body corporate; directors; principal office; agencies.—The Secretary of Commerce, the Secretary of Agriculture, and three directors first appointed as provided in section 502 of this chapter and their successors, are hereby created a body corporate of the District of Columbia by the name of the "Textile Foundation" (in this chapter referred to as the corporation). The incorporation shall be held effected upon the date of the first meeting of the board of directors. The corporation shall maintain its principal office in the District of Columbia and may establish such agencies or branch offices at such places as it deems advisable. (June 10, 1930, ch. 440, § 1, 46 Stat. 539.)

§ 502. Same; board of directors; appointment; term; vacancies; quorum; compensation; powers.—(a) The board of directors of the corporation (in this chapter referred to as the board) shall be constituted as follows:

(1) The Secretary of Commerce;

(2) The Secretary of Agriculture; and

(3) Three individuals, familiar with the textile industry or its allied branches, including that of production of raw materials, and their successors, to be appointed by the President, one for a term of two years, one for a term of three years, and one for a term of four years, from the date the incorporation is effected.

(b) Each successor shall be appointed for a term of four years from the date of the expiration of the term of the member whom he succeeds, except that any successor appointed to fill a vacancy occurring prior to the expiration of the term shall be appointed only for the unexpired term of the member whom he succeeds. A vacancy in the office of a director shall not impair the power of the remaining directors to execute the functions of the board. A majority of the directors shall constitute a quorum for the transaction of the business of the board.

(c) The members of the board shall serve without compensation for their services as such members, but they shall be reimbursed from the corporation for actual expenses incurred by them while in the performance of the functions vested in the board by this chapter.

(d) Any officer or employee of the United States, or of any corporation acting as a governmental agent of the United States, may, in addition to his present office, hold the office of director of the Textile Foundation without regard to any provision of law prohibiting the holding of more than one office.

(e) The board at its first meeting and at each annual meeting thereafter shall elect a chairman.

(f) The board shall direct the exercise of all the powers of the corporation. (June 10, 1930, ch. 440, § 2, 46 Stat. 539.)

§ 503. Same; purpose of Foundation.—(a) The purposes of the corporation shall be to administer and expend its funds and other property for scientific and economic research for the benefit and development of the textile industry, its allied branches, and including that of production of raw materials.

(b) The Textile Alliance, Incorporated, is hereby authorized to pay to the corporation the amounts payable in accordance with the arrangement between the Textile Alliance, Incorporated, and the Department of State, in lieu of paying such amounts into the United States Treasury; except that any amounts payable in accordance with such arrangement, and paid into the United States Treasury before June 10, 1930, are authorized to be appropriated to the credit of the corporation. Upon the receipt by the corporation of such amounts the liability of the Textile Alliance, Incorporated, under such arrangement shall be extinguished. (June 10, 1930, ch. 440, § 3, 46 Stat. 539.)

§ 504. Same; powers.—The corporation—

- (a) Shall have perpetual succession;
- (b) May sue and be sued;
- (c) May adopt a corporate seal and alter it at pleasure;
- (d) May adopt and alter bylaws;
- (e) May appoint officers and agents;
- (f) May acquire by purchase, devise, bequest, gift, or otherwise, and hold, encumber, convey, or otherwise dispose of, such real and personal property as may be necessary or appropriate for its corporate purposes;

(g) May invest and reinvest the principal and interest of its funds; and

(h) Generally, may do any and all lawful acts necessary or appropriate to carry out the purposes for which the corporation is created. (June 10, 1930, ch. 440, § 4, 46 Stat. 540.)

§ 505. Same; report to Congress.—The corporation shall, on or before the 1st day of December in each year, transmit to Congress and to the President a report of its proceedings and activities for the preceding calendar year, including a detailed statement of its receipts and expenditures. Such reports shall not be printed as public documents. (June 10, 1930, ch. 440, § 5, 46 Stat. 540.)

§ 506. Same; amendment and repeal.—The right to alter, amend, or repeal sections 501-505 of this title is hereby expressly reserved. (June 10, 1930, ch. 440, § 6, 46 Stat. 540.)

RECONSTRUCTION FINANCE CORPORATION

§ 601. Reconstruction Finance Corporation; creation; office and branches; citation of act.—There is hereby created a body corporate with the name "Reconstruction Finance Corporation" (in this chapter called the "corporation"). The principal office of the corporation shall be located in the District of Columbia, but there may be established agencies or branch offices in any city or cities of the United States under rules and regulations prescribed by the board of directors. Sections 601-604, 605, 606-606b, 606g, 607, 608, 609, 610, 611, 612, 613, 614-616, and 617 of this title may be cited as the "Reconstruction Finance Corporation Act." (Jan. 22, 1932, ch. 8, § 1, 47 Stat. 5.)

§ 602. Capital stock; amount; subscription by United States; payments; loans or advances to farmers; retirement of stock.—The corporation shall have capital stock of \$500,000,000, sub-

scribed by the United States of America, payment for which shall be subject to call in whole or in part by the board of directors of the corporation.

There is hereby authorized to be appropriated, out of any money to the Treasury not otherwise appropriated, the sum of \$500,000,000, for the purpose of making payments upon such subscription when called: *Provided*, That \$50,000,000 of the amount so subscribed, and the expansion of same through the notes, debentures, bonds, or other obligations as set out in section 609 of this title (as in force prior to July 21, 1932) shall be allocated and made available to the Secretary of Agriculture, which sum, or so much thereof as may be necessary, shall be expended by the Secretary of Agriculture for the purpose of making loans or advances to farmers in the several States of the United States in cases where he finds that an emergency exists as a result of which farmers are unable to obtain loans for crop production during the year 1932: *Provided further*, That the Secretary of Agriculture shall give preference in making such loans or advances to farmers who suffered from crop failures in 1931. Such advances or loans shall be made upon such terms and conditions and subject to such regulations as the Secretary of Agriculture shall prescribe. A first lien on all crops growing, or to be planted and grown, shall, in the discretion of the Secretary of Agriculture, be deemed sufficient security for such loan or advance. All such loans or advances shall be made through such agencies as the Secretary of Agriculture may designate, and in such amounts as such agencies, with the approval of the Secretary of Agriculture, may determine. Any person who shall knowingly make any material false representation for the purpose of obtaining an advance or loan, or in assisting in obtaining such advance or loan under this section, shall, upon conviction thereof, be punished by a fine of not exceeding \$1,000 or by imprisonment not exceeding six months, or both.

Receipts for payments by the United States of America for or on account of such stock shall be issued by the corporation to the Secretary of the Treasury and shall be evidence of the stock ownership of the United States of America.

In order to enable the Secretary of the Treasury to make payments upon stock of Federal Home Loan Banks subscribed for by him in accordance with the Federal Home Loan Bank Act, the sum of \$125,000,000, or so much thereof as may be necessary for such purpose, is hereby allocated and made available to the Secretary of the Treasury out of the capital of the corporation and/or the proceeds of notes, debentures, bonds, and other obligations issued by the corporation. For the purposes of this paragraph, the corporation shall issue such notes, bonds, debentures, and other obligations as may be necessary.

The Corporation is authorized to make payments from time to time to the Secretary of the Treasury in amounts to be determined by the Corporation, with the approval of the Federal Loan Administrator, for the partial retirement of its capital stock at par and in payment of dividends from earnings. The aggregate amount of notes, debentures, bonds, or other such obligations

which the Corporation is authorized to issue and have outstanding at any one time under the provisions of law in force on June 25, 1940, shall not be decreased by reason of any retirement of capital stock under this paragraph, and such aggregate amount is hereby increased by an amount sufficient to carry out the provisions of this paragraph and of the second paragraph of section 51d of Title 12, as amended.

The Corporation, on or before June 30, 1941, may retire its capital stock and pay dividends under the preceding paragraph of this section, and may purchase stock of the Federal home-loan banks under section 51d of Title 12, as amended, in an aggregate amount of not to exceed \$300,000,000 to be determined by the Secretary of the Treasury; but the Corporation, with the approval of the Federal Loan Administrator, shall determine that portion of such aggregate amount which may be used for the retirement of the capital stock of the Corporation, the payment of dividends, and the purchase of such stock of the Federal home-loan banks. (Jan. 22, 1932, ch. 8, § 2, 47 Stat. 5; July 21, 1932, ch. 520, § 205 (b), 47 Stat. 714; July 22, 193, ch. 522, § 6 (f), 47 Stat. 728; June 25, 1940, ch. 427, § 2, 54 Stat. 572.)

CROSS REFERENCES

Additional loans by Corporation to Secretary of Agriculture for purpose of making rural rehabilitation loans to needy farmers, see section 609i of this title.

§ 605. Loans and advances by Corporation; allocation; security; form; limitation on amount; period of loan; fees and commissions.—To aid in financing agriculture, commerce, and industry, including facilitating the exportation of agricultural and other products, the Corporation is authorized and empowered to make loans, upon such terms and conditions not inconsistent with sections 601-604, 605, 606-606b, 606g, 607, 608, 609, 610, 611, 612, 613, 614-616, and 617 of this title, as it may determine, to any bank, savings bank, trust company, building and loan association, insurance company, mortgage-loan company, credit union, Federal land bank, joint-stock land bank, Federal intermediate credit bank, agricultural credit corporation, livestock credit corporation, organized under the laws of any State or of the United States, including loans secured by the assets of any bank, savings bank, or building and loan association that is closed, or in process of liquidation to aid in the reorganization or liquidation of such banks or building and loan associations, upon application of the receiver or liquidating agent of such bank or building and loan association, and any receiver of any national bank is hereby authorized to contract for such loans and to pledge any assets of the bank for securing the same.

All loans made under the foregoing provisions shall be fully and adequately secured. The corporation, under such conditions as it shall prescribe, may take over or provide for the administration and liquidation of any collateral accepted by it as security for such loans. Such loans may be made directly upon promissory notes or by way of discount or rediscount of obligations tendered for the purpose, or otherwise in such form and in such amount and at such interest or discount rates as the corporation may ap-

prove: *Provided*, That no loans or advances shall be made upon foreign securities or foreign acceptances as collateral or for the purpose of assisting in the carrying or liquidation of such foreign securities and foreign acceptances. In no case shall the aggregate amount of advances made under this section to any one corporation and its subsidiary or affiliated organizations exceed at any one time $2\frac{5}{8}$ per centum of (1) the authorized capital stock of the Reconstruction Finance Corporation plus (2) the aggregate amount of bonds of the corporation authorized to be outstanding when the capital stock is fully subscribed: *Provided*, That such limitation shall not apply to advances to receivers or other liquidating agents of closed banks when made for the purpose of liquidation or reorganization.

Each such loan may be made for a period not exceeding three years, and the corporation may from time to time extend the time of payment of any such loan, through renewal, substitution of new obligations, or otherwise, but the time for such payment shall not be extended beyond five years from the date upon which such loan was made originally. The corporation may make loans under this section at any time prior to the expiration of one year from January 22, 1932; and the President may from time to time postpone such date of expiration for such additional period or periods as he may deem necessary, not to exceed two years from January 22, 1932. Within the foregoing limitations of this section, the Corporation, notwithstanding any limitation of law as to maturity, with the approval of the Interstate Commerce Commission, including approval of the price to be paid, may, to aid in the financing, reorganization, consolidation, maintenance, or construction thereof, purchase for itself, or for account of a railroad obligated thereon, the obligations of railroads, engaged in interstate commerce, or of receivers or trustees thereof, including equipment trust certificates, or guarantee the payment of the principal of, and/or interest on, such obligations, including equipment trust certificates, or, when, in the opinion of the Corporation, funds are not available on reasonable terms through private channels, make loans, upon full and adequate security, to such railroads or to receivers or trustees thereof for the purposes aforesaid: *Provided*, That in the case of loans to or the purchase or guarantee of obligations, including equipment trust certificates, of railroads not in receivership or trusteeship, the Interstate Commerce Commission shall, in connection with its approval thereof, also certify that such railroad, on the basis of present and prospective earnings, may reasonably be expected to meet its fixed charges, without a reduction thereof through judicial reorganization, except that such certificate shall not be required in case of such loans, purchases, or guaranties made for the maintenance of, or purchase of equipment for, such railroads: *Provided further*, That for the purpose of determining the general funds of the Corporation available for further loans or commitments, such guaranties shall, to the extent of the principal amount of the obligations guaranteed, be interpreted as loans or commitments for loans: *And provided further*, That the total amount of loans and commitments to railroads, receivers, and

trustees, and purchases and guaranties of obligations of railroads, under this paragraph, as amended, shall not exceed at any one time \$500,000,000, in addition to loans and commitments made prior to January 31, 1935, and renewals of loans and commitments so made: *Provided*, That no fee or commission shall be paid by any applicant for a loan under the provisions hereof in connection with any such application or any loan made or to be made hereunder, and the agreement to pay or payment of any such fee or commission shall be unlawful. Any such railroad may obligate itself in such form as shall be prescribed and otherwise comply with the requirements of the Interstate Commerce Commission and the corporation with respect to the deposit or assignment of security hereunder, without the authorization or approval of any authority, State or Federal, and without compliance with any requirement, State or Federal, as to notification, other than such as may be imposed by the Interstate Commerce Commission and the corporation under the provisions of this section. The title of any owner, whether as trustee or otherwise, to any property leased or conditionally sold to a railroad, or a receiver or trustee thereof, which the Corporation has financed, or in the financing of which the Corporation has aided, any right of such owner to take possession of such property in compliance with the provisions of any such lease or conditional sales contract, and the title of any owner of a collateral note evidencing a loan from the Corporation to a railroad not now in receivership or involved in proceedings under section 205 of Title 11, or a receiver or trustee thereof, and the right of any such owner to acquire title to the collateral securing such note, free and clear of any equity of redemption, in compliance with the contract of pledge, and thereafter to deal with the same as the absolute owner thereof, shall not be affected, restricted, or restrained by or pursuant to the provisions of Title 11, as amended, or by or pursuant to any other provision of law applicable to any proceedings thereunder.

The Reconstruction Finance Corporation is further authorized and empowered to make loans if adequately secured to any State insurance fund established or created by the laws of any State for the purpose of paying or insuring payment of compensation to injured workmen and those disabled as a result of disease contracted in the course of their employment, or to their dependents. As used in this paragraph, the term "State" includes the several States and Alaska, Hawaii, and Puerto Rico.

The Reconstruction Finance Corporation is further authorized and empowered to make loans if adequately secured to any fund created by any State for the purpose of insuring the repayment of deposits of public moneys of such State or any of its political subdivisions in banks or depositories qualified under the law of such State to receive such deposits. Such loans may be made at any time prior to January 23, 1934, and upon such terms and conditions as the corporation may prescribe; except that any fund which receives a loan under this paragraph shall be required to assign to the corporation, to the extent of such loan, all amounts which may be received by such fund as dividends or

otherwise from the liquidation of any such bank or depository in which deposits of such public moneys were made. As used in this paragraph, the term "State" includes the several States and Alaska, Hawaii, and Puerto Rico. (Jan. 22, 1932, ch. 8, § 5, 47 Stat. 6; July 21, 1932, ch. 520, §§ 202, 203, 211, 47 Stat. 714, 715; June 10, 1933, ch. 55, §§ 10, 12, 13, 48 Stat. 121, 122; June 14, 1933, ch. 72, 48 Stat. 141; June 21, 1934, ch. 692, 48 Stat. 1198; Jan. 31, 1935, ch. 2, § 4, 49 Stat. 2; June 25, 1940, ch. 427, § 3 (a), 54 Stat. 573; Sept. 18, 1940, ch. 722, title III, § 331 (a, b), 54 Stat. 955.)

§ 605b. Same; additional loans authorized.

* * * * *

(c) **Financing sales of agricultural products in foreign markets.**—In order that the surpluses of agricultural products may not have a depressing effect upon current prices of such products, the corporation is authorized and directed to make loans, in such amounts as may in its judgment be necessary, for the purpose of financing sales of such surpluses in the markets of foreign countries in which such sales cannot be financed in the normal course of commerce; but no such sales shall be financed by the corporation if, in its judgment such sales will affect adversely the world markets for such products: *Provided, however,* That no such loan shall be made to finance the sale in the markets of foreign countries of cotton owned by the Federal Farm Board or the Cotton Stabilization Corporation.

(d) **Financing, carrying, and marketing of agricultural products and livestock.**—The Reconstruction Finance Corporation is authorized and empowered to make loans to bona fide institutions, organized under the laws of any State or of the United States and having resources adequate for their undertakings, for the purpose of enabling them to finance the carrying and orderly marketing of agricultural commodities and livestock produced in the United States.

(e) **Creation of regional agricultural credit corporations; loans to farmers and stockmen.**—The Reconstruction Finance Corporation is further authorized to create in any of the twelve Federal land-bank districts where it may deem the same to be desirable a regional agricultural credit corporation with a paid-up capital of not less than \$3,000,000, to be subscribed for by the Reconstruction Finance Corporation and paid for out of the unexpended balance of the amounts allocated and made available to the Secretary of Agriculture under section 602 of this title. Such corporations shall be managed by officers and agents to be appointed by the Reconstruction Finance Corporation under such rules and regulations as its board of directors may prescribe. Such corporations are hereby authorized and empowered to make loans or advances to farmers and stockmen, the proceeds of which are to be used for an agricultural purpose (including crop production), or for the raising, breeding, fattening, or marketing of livestock, to charge such rates of interest or discount thereon as in their judgment are fair and equitable, subject to the approval of the Reconstruction Finance Corporation, and to rediscount with the

Reconstruction Finance Corporation and the various Federal reserve banks and Federal intermediate credit banks any paper that they acquire which is eligible for such purpose. All expenses incurred in connection with the operation of such corporations shall be supervised and paid by the Reconstruction Finance Corporation under such rules and regulations as its board of directors may prescribe.

(f) **Security for loans; terms and conditions.**—All loans made under this section, and all contracts of the character described in paragraph (1) of subsection (a), shall be fully and adequately secured. The corporation, under such conditions as it shall prescribe, may take over or provide for the administration and liquidation of any collateral accepted by it as security for such loans. Such loans shall be made on such terms and conditions, not inconsistent with sections 602, 603, 605-605d, 608, 609, and 609a of this title and section 343 of Title 12 as the corporation may prescribe, and may be made directly upon promissory notes or by way of discount or rediscount of obligations tendered for the purpose, or otherwise in such form and in such amount and at such interest or discount rates as the corporation may approve: *Provided*, That no loans or advances (except loans under subsection (c)) shall be made upon foreign securities or foreign acceptances as collateral.

(g) **Period of loan; extending time of repayment.**—Each such loan may be made for a period not exceeding three years, and the corporation may, from time to time, extend the time of payment of any such loan, through renewal, substitution of new obligations, or otherwise, but the time for such payment shall not be extended beyond five years from the date upon which such loan was made originally: *Provided*, That loans or contracts of the character described in subsection (a) may be made for a period not exceeding ten years: *Provided further*, That loans or contracts of the character described in paragraph (1) or (5) of subsection (a) may be made for a period exceeding ten years when it is the judgment of the board of directors of the corporation that it is necessary to purchase securities as provided in such paragraphs and that it is not practicable to require the reimbursement of the corporation, within ten years, through the repurchase or payment of such securities, or in any other manner.

(h) **Limitation on time when loans may be made.**—The corporation may make loans under this section at any time prior to January 23, 1934.

(i) **Fees and commissions.**—No fee or commission shall be paid by an applicant for a loan under the provisions of this section in connection with any such application or any loan made or to be made under this section, and the agreement to pay or payment of any such fee or commission shall be unlawful.

* * * * *

(July 21, 1932, ch. 520, § 201, 47 Stat. 711; Mar. 23, 1933, ch. 5, 48 Stat. 20; May 29, 1933, ch. 42, title I, 48 Stat. 99; June 10, 1933, ch. 55, §§ 5-9, 48 Stat. 120, 121; June 16, 1933, ch. 100, § 5, 48 Stat. 283.)

§ 605k. Loans for repair of damage caused by floods and other catastrophes; collateral.—The Reconstruction Finance Corporation is authorized and empowered, through such existing agency or agencies as it may designate, to make loans to corporations, partnerships, or individuals, municipalities or political subdivisions of States or of their public agencies, including public school boards and public school districts, and water, irrigation, sewer, drainage, and flood control districts for the purpose of financing the repair, construction, reconstruction, or rehabilitation of structures or buildings, including such equipment, appliances, fixtures, machinery, and appurtenances as shall be deemed necessary or appropriate by the Reconstruction Finance Corporation, and for the purpose of financing the repair, construction, reconstruction, or rehabilitation of water, irrigation, gas, electric, sewer, drainage, flood-control, communication, or transportation systems, highways, and bridges damaged or destroyed by earthquake, conflagration, tornado, cyclone, hurricane, flood, or other catastrophe in the years 1935 or 1936, and for the purpose of financing the acquisition of structures, buildings, or property, real and personal, in replacement of structures, buildings, groins, jetties, bulkheads, or property, real and personal, destroyed or rendered unfit for use by reason of the catastrophe, when such repair, construction, reconstruction, rehabilitation, or acquisition is deemed by the Reconstruction Finance Corporation to be useful or necessary, said loans to be so secured as reasonably to assure repayment thereof.

Obligations accepted hereunder shall be collateralized—

(a) In the case of loans for the acquisition, repair, construction, reconstruction, or rehabilitation of private real property, by the obligations of the owner of such property, secured by a lien thereon;

(b) In case of loans for the repair, construction, reconstruction, or rehabilitation of privately owned water, gas, electric, communication, or transportation systems, by the obligations of the owners of such water, gas, electric, communication, or transportation systems, secured by a lien thereon; and

(c) In case of loans for the repair, construction, reconstruction, or rehabilitation of property of municipalities or political subdivisions of States or of their public agencies, including public-school boards and public-school districts, and water, irrigation, sewer, drainage, and flood-control districts, by an obligation of such municipality, political subdivision, public agency, board, or district, payable from any source, including taxation or tax-anticipation warrants.

The collateral obligations shall have maturities not exceeding ten years in case of loans made under paragraph (a) of this section and not exceeding twenty years in case of loans under paragraphs (b) and (c) of this section.

The Corporation shall prescribe such regulations as will most effectively expedite the repair, construction, reconstruction, and rehabilitation provided for by this section and effectively carry out the emergency-relief purposes of this section.

Notwithstanding any other provision of law, disbursement may be made at any time prior to January 23, 1939, on any commitment made by the Corporation under the terms of this section.

The aggregate of loans made under this section shall not exceed \$50,000,000. (Apr. 13, 1934, ch. 121, 48 Stat. 589; July 26, 1935, ch. 421, 49 Stat. 505; Apr. 17, 1936, ch. 234, § 1, 49 Stat. 1232.)

§ 605k-1. Disaster Loan Corporation; creation; loans; duration; powers.—There is hereby created a Disaster Loan Corporation with nonassessable capital stock in an amount not to exceed \$40,000,000. The Reconstruction Finance Corporation is authorized and directed to subscribe for such stock and to make payment therefor from time to time as called, out of the unexpended balance of the \$50,000,000 which the Reconstruction Finance Corporation was authorized to lend for catastrophe relief by section 605k of this title. Such Disaster Loan Corporation shall be managed by officers and agents to be appointed by the Reconstruction Finance Corporation under such rules and regulations as its board of directors may prescribe.

Such Disaster Loan Corporation shall be empowered to make, upon such terms and conditions and in such manner as it may prescribe, such loans as it may determine to be necessary or appropriate because of floods or other catastrophes occurring during the period between January 1, 1936, and January 22, 1947. Such Disaster Loan Corporation may use all its assets, including capital and net earnings therefrom, in the exercise of its functions.

The Disaster Loan Corporation shall have succession until dissolved by Act of Congress; shall have power to sue and be sued in any court, to adopt and use a corporate seal, to make contracts, and to acquire, hold, and dispose of real and personal property necessary and incident to the conduct of its business; and shall have such other powers as may be necessary and incident to carrying out its powers and duties under this section. (Feb. 11, 1937, ch. 10, 50 Stat. 19; May 28, 1937, ch. 275, 50 Stat. 211; Mar. 3, 1938, ch. 40, 52 Stat. 84; Mar. 4, 1939, ch. 4, 53 Stat. 510; June 10, 1941, ch. 190, § 1, 55 Stat. 248.)

§ 608. Duty of departments and bureaus to furnish reports, records, and other information to Corporation; examination of applicants for loans.—In order to enable the corporation to carry out the provisions of this section and sections 601-604, 605, 606-606b, 606g, 607, 609, 610, 611, 612, 613, 614-616, and 617 of this title, the Treasury Department, the Farm Credit Administration, the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal reserve banks, and the Interstate Commerce Commission are hereby authorized, under such conditions as they may prescribe, to make available to the corporation, in confidence, such reports, records, or other information as they may have available relating to the condition of applicants with respect to whom the corporation has had or contemplates having transactions under the aforementioned sections, or relating to individuals, associations, partnerships, corporations, or other obligors whose obligations are offered to or

held by the corporation as security for loans under said sections, and to make, through their examiners or other employees for the confidential use of the corporation, examinations of applicants for loans. Every applicant for a loan under the aforementioned sections shall, as a condition precedent thereto, consent to such examination as the corporation may require for the purposes of said sections and that reports of examinations by constituted authorities may be furnished by such authorities to the corporation upon request therefor. (Jan. 22, 1932, ch. 8, § 8, 47 Stat. 8; July 21, 1932, ch. 520, § 204, 47 Stat. 714; Ex. Ord. No. 6084, Mar. 27, 1933; Apr. 23, 1935, ch. 614, § 203 (a) 49 Stat. 704.)

§ 611a. Cancellation of notes.—The Secretary of the Treasury is authorized and directed to cancel notes of the Reconstruction Finance Corporation (which notes are hereby made available to the Secretary of the Treasury for the purposes of this section) and all sums due and unpaid upon or in connection with such notes at the time of such cancellation and discharge in a principal amount equal to the outstanding funds of the Reconstruction Finance Corporation heretofore or hereafter disbursed under or by reason of the provisions set forth in—

(a) Sections 602, 605a (a) to (d), and 721-728 of this title; section 605a (e) of this title, and any amendatory or supplementary legislation; section 605 of Title 7; sections 1016, 1020b, 1131c, 1148c, 1463, 1705 and last sentence of section 1148 of Title 12; section 404 of Title 43; act approved February 4, 1933 (47 Stat. 795); section 30 (a) of Emergency Farm Mortgage Act of 1933, approved May 12, 1933 (48 Stat. 46), as amended; first paragraph of Title II of Emergency Appropriation Act, fiscal year 1935, approved June 19, 1934 (48 Stat. 1055); Emergency Relief Appropriation Act of 1935, approved April 8, 1935 (49 Stat. 115); and

(b) First sentence of section 1148 of Title 12; section 1148a of Title 12; sections 605k-1 and 713a of this title; together with expenses incurred by Reconstruction Finance Corporation in connection with section 605a of this title; and together with the interest paid to the Treasury thereon in the amount of \$33,177,491.82: *Provided*, That any evidence of indebtedness with respect to funds disbursed by Reconstruction Finance Corporation under or by reason of the provisions of law referred to in subsection (a) hereof be transferred to the Secretary of the Treasury: *Provided further*, That with respect to funds heretofore or hereafter disbursed by Reconstruction Finance Corporation under or by reason of the provision of law referred to in subsection (b) hereof, notes shall be canceled by the Secretary of the Treasury only upon the transfer and delivery by the Reconstruction Finance Corporation to the Secretary of the Treasury or to such officer, officers, agency, or agencies as the President shall designate, of all such capital stock as the Reconstruction Finance Corporation may hold pursuant to any provision of law referred to in said subsection (b): *Provided further*, That the Secretary of the Treasury and the Reconstruction Finance Corporation are authorized and directed to make adjustments on their books and records as may be necessary to

carry out the purposes of this section and sections 603, 609f, and 611b of this title. (Feb. 24, 1938, ch. 32, § 1, 52 Stat. 79.)

ECONOMIC RECOVERY

§ 712a. Limitation of obligations for administrative expenses of certain agencies; limitation on life of certain agencies.—(a) Notwithstanding any other provision of law, none of the establishments or agencies named in subsection (b) of this section shall, after June 30, 1937, incur any obligations for administrative expenses, except pursuant to an annual appropriation specifically therefor, nor shall any such establishment or agency continue to function after said date unless established by or pursuant to law: *Provided*, That nothing contained herein shall be construed to extend the period during which any such establishment or agency heretofore has been authorized by law to function.

(b) * * * 5. Federal Surplus Commodities Corporation;
* * * 10. Commodity Credit Corporation; * * *. (June 22, 1936, ch. 689, § 7, 49 Stat. 1647.)

COMMODITY CREDIT CORPORATION

Ex. Ord. No. 6340—Authorizing the Formation of a Corporation to be Known as the Commodity Credit Corporation. (October 16, 1933)

Whereas, the Congress of the United States has declared that an acute emergency exists by reason of widespread distress and unemployment, disorganization of industry, and the impairment of the agricultural assets supporting the national credit structure, all of which affects the national public interest and welfare; and

Whereas in order to meet the said emergency and to provide the relief necessary to protect the general welfare of the people, the Congress of the United States has enacted the following acts:

1. The Agricultural Adjustment Act, approved May 12, 1933.
2. The National Industrial Recovery Act, approved June 16, 1933.
3. The Federal Emergency Relief Act of 1933, approved May 12, 1933.
4. Reconstruction Finance Corporation Act, approved January 22, 1932.
5. The Federal Farm Loan Act, approved July 17, 1916.
6. The Farm Credit Act of 1933, approved June 16, 1933.
7. The Emergency Relief and Construction Act of 1932, approved July 21, 1932.

And whereas, in order, effectively and efficiently, to carry out the provisions of said acts it is expedient and necessary that a corporation be organized with such powers and functions as may be necessary to accomplish the purposes of said acts.

Now, therefore, under and by virtue of the authority vested in me by the National Industrial Recovery Act of June 16, 1933, it is hereby ordered that an agency, to-wit, a corporation, under the laws of Delaware, be created, said corporation to be named the Commodity Credit Corporation.

The governing body of said corporation shall consist of a board of directors composed of eight members, and the following persons, who have been invited and have given their consent to serve, shall be elected by the incorporators as such directors:

Henry A. Wallace, Secretary of Agriculture.

George N. Peek, Administrator, Agricultural Adjustment Administration.

Oscar Johnston, Director of Finance, Agricultural Adjustment Administration.

Henry Morgenthau, Jr., Governor, Farm Credit Administration.

Herman Oliphant, General Counsel, Farm Credit Administration.

Lynn P. Tally, Assistant to the Directors of the Reconstruction Finance Corporation.

E. B. Schwulst, Special Assistant to the Directors of the Reconstruction Finance Corporation.

Stanley Reed, General Counsel of the Directors of the Reconstruction Finance Corporation.

The office and principal place of business of said corporation outside the State of Delaware shall be in the city of Washington, and branch offices may be established in such places within the United States as the said board of directors shall select and determine by and with the consent of the Secretary of Agriculture and the Governor of the Farm Credit Administration.

The capital stock of such corporation shall consist of 30,000 shares of the par value of \$100 each.

The Secretary of Agriculture and the Governor of the Farm Credit Administration are hereby authorized and directed to cause said corporation to be formed, with such articles of certificate of incorporation, and bylaws, which they shall deem requisite and necessary to define the methods by which said corporation shall conduct its business.

The Secretary of Agriculture and the Governor of the Farm Credit Administration are authorized and directed to subscribe for all of said capital stock for the use and benefit of the United States. There is hereby set aside for the purpose of subscribing to the capital stock in said corporation the sum of \$3,000,000 out of the appropriation of \$100,000,000 authorized by section 220 of the National Industrial Recovery Act and made by the Fourth Deficiency Act, fiscal year 1933, approved June 16, 1933 (Public No. 77, 73d Cong.).

It is hereby further ordered that any outstanding stock standing in the name of the United States shall be voted by the Secretary of Agriculture and the Governor of the Farm Credit Administration jointly, or by such person or persons as the said Secretary of Agriculture and the Governor of the Farm Credit Administration shall appoint as their joint agent or agents for that purpose. The board of directors (other than the initial board of directors elected by the incorporators) shall be elected, and any vacancies thereon shall be filled by the Secretary of Agriculture and the Governor of the Farm Credit Administration jointly, subject to the approval of the President of the United States.

COMMODITY CREDIT CORPORATION

Commodity Credit Corporation, Federal Farm Mortgage Corporation, and Farm Credit Administration, and their functions and activities, together with their respective personnel, records, and property were transferred to Department of Agriculture by Reorg. Plan No. I, § 401, eff. July 1, 1939, 4 Fed. Reg. 2730, 53 Stat. 1429, set out in note under section 133t of Title 5, Executive Departments and Government Officers and Employees.

§ 713. Commodity Credit Corporation: continuance of existence, functions, and ownership of stock by United States; audit of transactions; payment of audit expenses; place of audit.—(a) Notwithstanding any other provision of law, Commodity Credit Corporation, a corporation organized under the laws of the State of Delaware as an agency of the United States pursuant to the Executive order of the President of October 16, 1933, shall continue, until the close of business on June 30, 1945, or such earlier date as may be fixed by the President by Executive order, to be an agency of the United States. During the continuance of such agency, the Secretary of Agriculture and the Governor of the Farm Credit Administration are authorized and directed to continue, for the use and benefit of the United States, the present investment in the capital stock of Commodity Credit Corporation, and the corporation is hereby authorized to use all its assets, including capital and net earnings therefrom, and all moneys which have been or may hereafter be allocated to or borrowed by it,

in the exercise of its functions as such agency, including the making of loans on agricultural commodities: *Provided, however,* That the Corporation shall at all times maintain complete and accurate books of account and shall determine the procedures to be followed in the transaction of the corporate business.

(b) The financial transactions of the Corporation beginning with the period from July 1, 1944, shall be audited by the General Accounting Office in accordance with the principles applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States: *Provided,* That the Corporation shall continue to have the authority to make final and conclusive settlement and adjustment of any claims by or against the Corporation or the accounts of its fiscal officers: *Provided further,* That a report of such audit shall be made to the Congress, together with such recommendations as the Comptroller General may deem advisable, and that each such report shall cover a period of one fiscal year: *Provided further,* That a copy of each such report shall be furnished the Secretary of the Treasury and that the findings contained therein shall be considered by the Secretary in appraising the assets and liabilities and determining the net worth of the Corporation under sections 713a-1 and 713a-2 of this title: *Provided, however,* That nothing in this section shall be construed as modifying legislation authorizing the use of funds of the Corporation for administrative expenses and requiring accountability therefor.

(c) The expenses of the audit as provided in this section may be paid up to and including June 30, 1946, from moneys advanced therefor by the Corporation, or from any appropriation or appropriations for the General Accounting Office, and appropriations so used shall be reimbursed promptly by the Corporation as billed by the Comptroller General: *Provided,* That any such advances or reimbursements shall be considered as nonadministrative expenses of the Corporation. For the purpose of such audit the representatives of the General Accounting Office shall have access to all papers, books, files, accounts, financial records, warehouses, and all other things, property, and places belonging to or under the control of or used or employed by the Corporation and shall be afforded full facilities for verifying transactions with the balances in depositaries and with fiscal agents: *Provided further,* That the certified financial reports and schedules of the fiscal agents of the Corporation based on commercial audits in the usual course of business may be accepted by the General Accounting Office in its audit of the financial transactions of the Corporation as final and not subject to further audit verification.

(d) Any examination of the corporate records shall be made at the place or places where such records are normally kept in the transaction of the corporate business, and the Corporation shall retain custody of contracts, vouchers, schedules, or other financial or accounting documents, either original or duplicate, relating to its nonadministrative transactions. (Jan. 31, 1935, ch. 2, § 7, 49 Stat. 4; Jan. 26, 1937, ch. 6, § 2, (a), 50 Stat. 5; Mar. 4, 1939, ch. 5, § 1(a), 53 Stat. 510; July 1, 1941, ch. 270,

§ 1, 55 Stat. 498; July 16, 1943, ch. 241, § 1, 57 Stat. 566, eff. June 30, 1943; Dec. 23, 1943, ch. 383, 57 Stat. 643; Feb. 28, 1944, ch. 71, §§ 1, 3, 58 Stat. 105, 106, eff. Feb. 17, 1944.)

AMENDMENTS

1944—Act Feb. 28, 1944, §§ 1, 3, cited to text, amended section, by substituting "June 30, 1945," for "February 17, 1944," and by making the first par. subsec. (a), striking period at the end and inserting colon in lieu thereof, inserting proviso, and adding subsecs. (b), (c), and (d).

1943—Act Dec. 23, 1943, cited to text, substituted "February 17, 1944" for "December 31, 1943."

Act July 16, 1943, cited to text, eff. June 30, 1943, substituted "December 31, 1943", for "June 30, 1943."

1941—Act July 1, 1941, cited to text, substituted "June 30, 1943" for "June 30, 1941" in first sentence.

EFFECTIVE DATE

Amendment of first sentence of section by section 1 of act Feb. 28, 1944, cited to text, was made effective as of Feb. 17, 1944. Further amendment of section by section 3 of act Feb. 28, 1944, cited to text, effective Feb. 28, 1944.

CROSS REFERENCES

Federal reserve banks as depositaries and fiscal agents for corporation, see section 395 of Title 12, Banks and Banking.

The Commodity Credit Corporation was consolidated with other agencies into the Administration of Food Production and Distribution within Department of Agriculture by Ex. Ord. No. 9322, Mar. 26, 1943, set out in note under section 601 of Appendix to Title 50, War.

§ 713a. Same; increase of capital stock.—The Secretary of Agriculture and the Governor of the Farm Credit Administration are hereby authorized and directed to take all necessary steps to increase the capital stock of the Commodity Credit Corporation by \$97,000,000; and the Reconstruction Finance Corporation is hereby authorized and directed to acquire \$97,000,000 of the non-assessable capital stock of the Commodity Credit Corporation: *Provided*, That nothing herein shall be construed to increase the amount of notes, bonds, debentures, and other such obligations which the Reconstruction Finance Corporation is authorized and empowered under existing law to issue and to have outstanding at any one time. (Apr. 10, 1936, ch. 168, 49 Stat. 1191.)

§ 713a-1. Same; annual appraisal of assets; restoration of capital impairment.—As of the 31st of March in each year and as soon as possible thereafter, beginning with March 31, 1938, an appraisal of all the assets and liabilities of the Commodity Credit Corporation for the purpose of determining the net worth of the Commodity Credit Corporation shall be made by the Secretary of the Treasury. The value of assets shall, insofar as possible, be determined on the basis of the cost, including not more than one year of carrying charges, of such assets to the Corporation, or the average market prices of such assets for a period of twelve months ending with March 31 of each year, whichever is less; and a report of any such appraisal shall be submitted to the President as soon as possible after it has been made. In the event that any such appraisal shall establish that the net worth of the Commodity Credit Corporation is less than \$100,000,000, the Secretary of the Treasury, on behalf of the United States, shall restore the amount of such capital impairment by a contribution

to the Commodity Credit Corporation in the amount of such impairment. To enable the Secretary of the Treasury to make such payment to the Commodity Credit Corporation, there is hereby authorized to be appropriated annually, commencing with the fiscal year 1938, out of any money in the Treasury not otherwise appropriated, an amount equal to any capital impairment found to exist by virtue of any appraisal as provided herein. (As amended July 1, 1941, ch. 270, § 2, 55 Stat. 498.)

§ 713a-2. Same; capital excess; deposit in Treasury for retirement of public debt.—In the event that any appraisal pursuant to section 713a-1 of this title shall establish that the net worth of the Commodity Credit Corporation is in excess of \$100,000,000, such excess shall, as soon as practicable after such appraisal, be deposited in the Treasury by the Commodity Credit Corporation and shall be credited to miscellaneous receipts. The Secretary of the Treasury is directed, as soon as practicable, to use any amounts so deposited to retire an equivalent amount of the public debt, which amount shall be in addition to any other amount required to be used for such purpose. (Mar. 8, 1938, ch. 44, § 2, 52 Stat. 107.)

§ 713a-3. Same; transfer to United States of stock held by Secretary of Agriculture, Governor of Farm Credit Administration, and Reconstruction Finance Corporation.—The Secretary of Agriculture, the Governor of the Farm Credit Administration, and the Reconstruction Finance Corporation are hereby authorized and directed to transfer to the United States all right, title, and interest in and to the capital stock of the Commodity Credit Corporation which each of them now holds. All rights of the United States arising out of the ownership of such capital stock shall be exercised by the President, or by such officer, officers, agency, or agencies as he shall designate, and in such manner as he shall prescribe. (Mar. 8, 1938, ch. 44, § 3, 52 Stat. 107.)

§ 713a-4. Same; obligations of corporation; issuance; sales; purchase; redemption; etc.—With the approval of the Secretary of the Treasury, the Commodity Credit Corporation is authorized to issue and have outstanding at any one time, bonds, notes, debentures, and other similar obligations in an aggregate amount not exceeding \$3,000,000,000. Such obligations shall be in such forms and denominations, shall have such maturities, shall bear such rates of interest, shall be subject to such terms and conditions, and shall be issued in such manner and sold at such prices as may be prescribed by the Commodity Credit Corporation, with the approval of the Secretary of the Treasury. Such obligations shall be fully and unconditionally guaranteed both as to interest and principal by the United States, and such guaranty shall be expressed on the face thereof, and such obligations shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof. In the event that the Commodity Credit Corporation shall be unable to pay upon demand, when due, the principal of, or interest on, such obligations, the Secretary of the

Treasury shall pay to the holder the amount thereof which is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all rights of the holders of such obligations. The Secretary of the Treasury, in his discretion, is authorized to purchase any obligations of the Commodity Credit Corporation issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under sections 745, 747, 752, 752a, 753, 754, 754a, 754b, 757, 757b, 757c, 758, 760, 764-766, 769, 771, 773, 774 (2), and 801 of Title 31, and the purpose for which securities may be issued under such sections, are extended to include any purchases of the Commodity Credit Corporation's obligations hereunder. The Secretary of the Treasury may at any time sell any of the obligations of the Commodity Credit Corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the obligations of the Commodity Credit Corporation shall be treated as public-debt transactions of the United States. No such obligations shall be issued in excess of the assets of the Commodity Credit Corporation, including the assets to be obtained from the proceeds of such obligations, but a failure to comply with this provision shall not invalidate the obligations or the guaranty of the same. The Commodity Credit Corporation shall have power to purchase such obligations in the open market at any time and at any price. (As amended July 1, 1941, ch. 270, § 3, 55 Stat. 498; July 16, 1943, ch. 241, § 2, 57 Stat. 566.)

§ 713a-5. Same; exemption of corporation and its obligations from taxation.—Bonds, notes, debentures, and other similar obligations issued by the Commodity Credit Corporation under the provisions of sections 713a-1 to 713a-5 of this title shall be deemed and held to be instrumentalities of the Government of the United States, and as such they and the income derived therefrom shall be exempt from Federal, State, municipal, and local taxation (except surtaxes, estate, inheritance, and gift taxes). The Commodity Credit Corporation, including its franchise, its capital, reserves, and surplus, and its income shall be exempt from all taxation now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority; except that any real property of the Commodity Credit Corporation shall be subject to State, Territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed. (Mar. 8, 1938, ch. 44, § 5, 52 Stat. 108.)

CROSS REFERENCES

United States obligations and evidences of ownership issued after March 27, 1942, as subject to Federal taxation, see section 742a of Title 31, Money and Finance.

§ 713a-6. Sale of surplus agricultural commodities to foreign governments.—Notwithstanding any other provision of law, the Commodity Credit Corporation, with the approval of the Presi-

dent, is authorized to sell surplus agricultural commodities, acquired by such Corporation through its loan operations, to foreign governments on the condition that, except for rotation to prevent deterioration, such commodities shall be held in reserve by such governments for a period of not less than five years from the date of acquisition, and shall not be disposed of unless a war or war emergency results in a serious interruption of normal supplies of such commodities: *Provided*, That under this section no concession below the prevailing world market price for the unrestricted use of such commodities, as determined by the Secretary of Agriculture, shall be granted, in consideration of the obligation assumed by such governments to hold such commodities in reserve as required hereinbefore, in excess of a maximum amount equal to the average carrying charges, as estimated by the Secretary of Agriculture, that would be incurred if such commodities should be held for an additional eighteen months' period by the Commodity Credit Corporation. In determining specific cotton to be sold under this section, the determination shall be made by sampling and selection at the place where the cotton is stored on the date of signing any sales agreement or contract under this section, and no cotton shall be sold under any such sales agreement or contract which, after such date, is transported to any other place and there sampled and selected: *Provided further*, That in case of a sale, settlement must be made within sixty days after delivery and not more than five hundred thousand bales of cotton shall be sold upon the terms and conditions provided in this section. (Aug. 11, 1939, ch. 701, 53 Stat. 1418.)

§ 713a-7. Exchange of surplus agricultural commodities for reserve stocks of strategic materials.—Notwithstanding any other provision of law, whenever the President, by and with the advice and consent of the Senate, has concluded a treaty involving the exchange of surplus agricultural commodities produced in the United States which are held under loans made or made available by the Commodity Credit Corporation for stocks of strategic and critical materials produced abroad, the Commodity Credit Corporation is authorized, upon terms and conditions prescribed by the Secretary of Agriculture, to accept such strategic and critical materials in exchange for such surplus agricultural commodities; and for the purpose of such exchange the Secretary of War, the Secretary of the Navy, and the Secretary of the Interior acting jointly through the agency of the Army and Navy Munitions Board shall determine which materials are strategic and critical and the quantity and quality of such materials. In order to carry out the provisions of this section, the Commodity Credit Corporation is authorized, upon terms and conditions prescribed by the Secretary of Agriculture, to procure, convey, transport, handle, store, maintain, or rotate such surplus agricultural commodities, and such reserve stocks of strategic and critical materials, as may be necessary to accomplish the purposes of this section.

The Commodity Credit Corporation is authorized and directed to transfer to warehouses in or near cotton manufacturing centers in New England not to exceed three hundred thousand bales of cotton, to which it now has title or may hereafter acquire title,

having regard for the grades and staples customarily required by manufacturers in that area: *Provided*, That all necessary costs in connection with such transfer will not result in additional net cost to the Corporation.

In determining specific cotton to be exchanged under this section, the determination shall be made by sampling and selection at the place where the cotton is stored on the date of ratification of a treaty providing for such exchange, and no cotton shall be exchanged under such treaty which, after such date, is transported to another place and there sampled and selected. Such reserve stocks of strategic and critical materials shall be stored on military or naval reservations or in other locations approved by the Secretary of War and the Secretary of the Navy. The Commodity Credit Corporation is authorized to transfer such reserve stocks of strategic and critical materials, upon such terms and conditions as the Secretary of Agriculture shall approve, to any other governmental agency. Such reserve stocks or strategic and critical materials shall be made available or disposed of by the Commodity Credit Corporation or other governmental agency only upon order of the President in accordance with the terms of the applicable treaty; when necessary to prevent deterioration, the Commodity Credit Corporation or other governmental agency is authorized to replace those quantities of the reserve stock of such strategic and critical materials subject to deterioration with equivalent quantities of the same materials. The funds now or hereafter made available to the Commodity Credit Corporation are hereby made available to carry out the purposes of this section. There is hereby authorized to be appropriated such additional sums as may be required to carry out the provisions of this section, all funds for carrying out the provisions of this section shall be available for allotment to bureaus and offices of the Department of Agriculture, and for transfer to such other agencies of the Federal Government as the Secretary of Agriculture may request to cooperate or assist in carrying out the provisions of this section. (Aug. 11, 1939, ch. 690, 53 Stat. 1407.)

§ 713a-8. Operations to cover the expansion of production of non-basic agricultural commodities; fulfillment of commitments to producers.—(a) Whenever during the existing emergency the Secretary of Agriculture finds it necessary to encourage the expansion of production of any non-basic agricultural commodity, he shall make public announcement thereof and he shall so use the funds made available under section 713a-4 of this title or otherwise made available to him for the disposal of agricultural commodities, through a commodity loan, purchase, or other operation, taking into account the total funds available for such purpose for all commodities, so as to support, during the continuance of the present war and until the expiration of the two-year period beginning with the first day of January immediately following the date upon which the President by proclamation or the Congress by concurrent resolution declares that hostilities in the present war have determined, a price for the producers of any such commodity with respect to which such announcement was made of not less than 90 per centum of the

parity or comparable price therefor. The comparable price for any such commodity shall be determined and used by the Secretary for the purposes of this section if the production or consumption of such commodity has so changed in extent or character since the base period as to result in a price out of line with parity prices for basic commodities. Any such commodity loan, purchase, or other operation which is undertaken shall be continued until the Secretary has given sufficient public announcement to permit the producers of such commodity to make a readjustment in the production of the commodity. For the purposes of this section, commodities other than cotton, corn, wheat, tobacco, peanuts, and rice shall be deemed to be non-basic commodities.

(b) It is hereby declared to be the policy of the Congress that the lending and purchase operations of the Department of Agriculture (other than those referred to in subsection (a)) shall be carried out so as to bring the price and income of the producers of non-basic commodities not covered by any such public announcement to a fair parity relationship with other commodities, to the extent that funds for such operations are available after taking into account the operations with respect to the basic commodities and the commodities listed in any such public announcement and the ability of producers to bring supplies into line with demand.

(c) In cases where producers have expanded or hereafter expand production of nonbasic agricultural commodities pursuant to any public announcement made under subsection (a) of this section, it shall be the duty of the Secretary of Agriculture or the War Food Administrator through loans, purchases, and other operations under subsection (a) of this section, to completely fulfill all commitments made to such producers. In order to carry out the purposes of this section, the Secretary of Agriculture or the War Food Administrator shall use such of the funds available for carrying out the provisions of subsection (a) of this section as may be necessary, and such funds are hereby made available for such purpose. (July 1, 1941, ch. 270, § 4, 55 Stat. 498, as amended Oct. 2, 1942, ch. 578, § 9 (a), 56 Stat. 768; Feb. 28, 1944, ch. 71 § 2, 58 Stat. 105.)

AMENDMENTS

1944—Subsec. (c) comprised section 2 of act Feb. 28, 1944, cited to text.

1942—Subsec. (a) was amended by act Oct. 2, 1942, cited to text, which substituted "90 per centum" for "85 per centum"; inserted ", peanuts" in last sentence; and inserted clause within commas in first sentence after "so as to support".

APPLICABILITY OF 1942 AMENDMENT IRRESPECTIVE OF NEW ANNOUNCEMENTS

Section 9 (b) of act Oct. 2, 1942, cited to text, section 9 (a) of which amended subsec. (a) of this section, provided as follows: "The amendments made by this section shall, irrespective of whether or not there is any further public announcement under such section 4 (a) (Title 15, § 713a-8 (a)), be applicable with respect to any commodity with respect to which a public announcement has heretofore been made under such section 4 (a) (Title 15, § 713a-8 (a))."

§ 713a-9. Reimbursement of corporation from funds of government agencies for services, losses, operating costs, or commodities purchased.—Full reimbursement shall be made to the Commodity

Credit Corporation for services performed, losses sustained, operating costs incurred, or commodities purchased or delivered to or on behalf of the Lend-Lease Administration, the Army or Navy, the Board of Economic Warfare, the Reconstruction Finance Corporation, or any other Government agency, from the appropriate funds of these agencies. (July 16, 1943, ch. 241, § 4, 57 Stat. 566.)

§ 713c. Federal Surplus Commodities Corporation; continuance of existence; purchase and distribution of surplus agricultural commodities.—In carrying out the provisions of clause (2) of section 612c of Title 7, as amended, the Secretary of Agriculture may transfer to the Federal Surplus Commodities Corporation, which Corporation is hereby continued, until June 30, 1945, as an agency of the United States under the direction of the Secretary of Agriculture, such funds, appropriated by said section 612c, as may be necessary for the purpose of effectuating said clause (2) of section 612c: *Provided*, That such transferred funds, together with other funds of the Corporation, may be used for purchasing, exchanging, processing, distributing, disposing, transporting, storing, and handling of agricultural commodities and products thereof and inspection costs, commissions, and other incidental costs and expenses, without regard to the provisions of existing law governing the expenditure of public funds and for administrative expenses, including rent, printing and binding, and the employment of persons and means, in the District of Columbia and elsewhere, such employment of persons to be in accordance with the provisions of law applicable to the employment of persons by the Agricultural Adjustment Administration.

In carrying out clause (2) of section 612c, the funds appropriated by said section may be used for the purchase, without regard to the provisions of existing law governing the expenditure of public funds, of agricultural commodities and products thereof, and such commodities, as well as agricultural commodities and products thereof purchased under the preceding paragraph hereof, may be donated for relief purposes. (June 28, 1937, ch. 385, 50 Stat. 323; Feb. 16, 1938, ch. 30, § 204, 52 Stat. 38; June 27, 1942, ch. 454, 56 Stat. 461.)

§ 713c-1. Same; annual report to Congress.—The Federal Surplus Commodities Corporation shall submit to Congress on the first day of each regular session an annual report setting forth a statement of the activities, receipts, and expenditures of the Corporation during the previous fiscal year. (Feb. 16, 1938, ch. 30, 3 p. m., § 204, 52 Stat. 38.)

CROSS REFERENCE

Federal Surplus Commodities Corporation, transfer of functions, see note to section 713c of this title.

§ 713c-2. Same; purchase and distribution of surplus fishery products.—Any part of the funds not to exceed \$1,500,000 per year, transferred by the Secretary of Agriculture to the Federal Surplus Commodities Corporation created under and to carry out the provisions of section 612c of Title 7, as amended, may also

be used by such Corporation for the purpose of diverting surplus fishery products (including fish, shellfish, mollusks, and crustacea) from the normal channels of trade and commerce by acquiring them and providing for their distribution through Federal, State, and private relief channels: *Provided*, That none of the funds made available to the Federal Surplus Commodities Corporation under this section and section 713c-3 shall be used to purchase any of the commodities designated in this section which may have been produced in any foreign country. The provisions of law relating to the acquisition of materials or supplies for the United States shall not apply to the acquisition of commodities under this section and section 713c-3. (Aug. 11, 1939, ch. 696, § 1, 53 Stat. 1411.)

SIMILAR PROVISIONS

Earlier provisions on this subject were contained in act Mar. 5, 1937, ch. 29, 50 Stat. 27, and in Res. Apr. 12, 1937, ch. 73, 50 Stat. 61. The former forbade acquisition of commodities thereunder after 90 days after its enactment, but permitted distribution of commodities after such period. The latter made funds available to be used in accordance with the provisions of the former.

Act Apr. 12, 1937, ch. 73, 50 Stat. 61, provided as follows: "That not to exceed \$1,000,000 of the funds available to the Federal Surplus Commodities Corporation may be used by such Corporation for the purpose of diverting surplus fish (including shellfish) and the products thereof from the normal channels of trade and commerce by the acquisition and distribution thereof in accordance with the provisions of the Act entitled 'An Act to authorize the purchase and distribution of products of the fishing industry', approved March 5, 1937."

Act Mar. 5, 1937, ch. 29, 50 Stat. 27, provided as follows: "That there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$2,000,000 for the purpose of enabling the Federal Surplus Commodities Corporation to divert surplus fish (including shellfish) and the products thereof from the normal channels of trade and commerce by acquiring them and providing for their distribution through Federal, State, and private relief agencies. No commodities shall be acquired under this Act after ninety days after the date of its enactment: *Provided, however*, That distribution thereof may extend beyond said period. The provisions of law relating to the acquisition of materials or supplies for the United States shall not apply to the acquisition of commodities under this Act."

TRANSFER OF FUNCTIONS

Federal Surplus Commodities Corporation, transfer of functions, see note to section 713c of this title.

§ 713c-3. Same; use of funds to promote commerce in domestic fishery products.—From the fund authorized to be transferred by section 713c-2 hereof, the Secretary of Agriculture is authorized to transfer to the Secretary of the Interior sums as follows to be maintained in a separate fund, \$75,000, which shall be used by the Secretary of the Interior to promote the free flow of domestically produced fishery products in commerce by conducting a fishery educational service; and \$100,000, which shall be used by the Secretary of the Interior to develop and increase markets for fishery products of domestic origin. (Aug. 11, 1939, ch. 696, § 2 (a), 53 Stat. 1412.)

TITLE 16—CONSERVATION

THE NATIONAL PARKS, MILITARY PARKS, MONUMENTS, AND SEASHORES

§ 2. National parks, reservations, and monuments; supervision.—The director shall, under the direction of the Secretary of the Interior, have the supervision, management, and control of the several national parks and national monuments which on August 25, 1916, were under the jurisdiction of the Department of the Interior, and of the Hot Springs National Park in the State of Arkansas, and of such other national parks and reservations of like character as may be created by Congress. In the supervision, management, and control of national monuments contiguous to national forests the Secretary of Agriculture may cooperate with said National Park Service to such extent as may be requested by the Secretary of the Interior. (Aug. 25, 1916, ch. 408, § 2, 39 Stat. 535; Mar. 4, 1921, ch. 161, § 1, 41 Stat. 1407.)

§ 8a. National-park approach roads; designation.—Whenever the Secretary of the Interior shall determine it to be in the public interest he may designate as national-park approach roads and as supplementary parts of the highway systems of any of the national parks roads whose primary value is to carry national-park travel and which lead across lands wholly or to the extent of 90 per centum owned by the Government of the United States and which will connect the highways within a national park with a convenient point on or leading to the Federal 7 per centum highway system: *Provided*, That such approach roads so designated shall be limited to not to exceed sixty miles in length between a park gateway and such point on or leading to the nearest convenient 7 per centum system road; or, if such approach road is on the 7 per centum system, it shall be limited to not to exceed thirty miles: *Provided further*, That not to exceed forty miles of any one approach road shall be designated in any one county. (April 9, 1924, ch. 86, § 4, as added Jan. 31, 1931, ch. 79, 46 Stat. 1053.)

§ 8b. National-park approach roads and roads and trails within national parks and national monuments; construction, improvement, and maintenance; appropriation.—The Secretary of the Interior is authorized during the fiscal years 1932 and 1933 to construct, reconstruct, and improve national-park approach roads designated under section 8a of this title, inclusive of necessary bridges, and to enter into agreements for the maintenance thereof by State or county authorities, or to maintain them when otherwise necessary, as well as hereafter to construct, reconstruct, and improve roads and trails within the national parks and national monuments; and for all such purposes there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the following sums: \$7,500,000 for the fiscal year ending June 30, 1932; the sum of \$7,500,000 for the fiscal year ending June 30, 1933: *Provided*, That under agreement with the Secretary of the Interior the Secretary of Agriculture may carry out any or all of the provisions of this section: *Provided further*, That not to exceed \$1,500,000 shall be allocated annually for the

construction, reconstruction, and improvement of such national-park approach roads: *And provided further*, That nothing in this section or sections 8a and 8c of this title shall be construed to limit the authority of the Secretary of the Interior to hereafter construct, reconstruct, improve, and maintain roads and trails within the national parks and national monuments. (Apr. 9, 1924, ch. 86, § 5, as added Jan. 31, 1931, ch. 79, 46 Stat. 1053.)

§ 8c. National-park approach roads across or within national forests; approval of Secretary of Agriculture.—Whenever any approach road is proposed under the terms of section 8a of this title across or within any national forest the Secretary of the Interior shall secure the approval of the Secretary of Agriculture before construction shall begin. (Apr. 9, 1924, ch. 96, § 6, as added Jan. 31, 1931, ch. 79, 46 Stat. 1054.)

§ 18. Promotion of tourist travel.—The Secretary of the Interior is authorized and directed through the National Park Service, to encourage, promote, and develop travel within the United States, its Territories and possessions, providing such activities do not compete with the activities of private agencies; and to administer all existing travel promotion functions of the Department of the Interior through such Service. (July 19, 1940, ch. 642, § 1, 54 Stat. 773.)

§ 18b. Same; advisory committee; expenses.—The Secretary of the Interior is authorized to create an advisory committee to consist of a representative from each of the Departments of State, Agriculture, and Commerce, the Interstate Commerce Commission, the Civil Aeronautics Authority, and the United States Maritime Commission, as may be designated by such Departments or agencies, respectively, and such additional members, representatives of the various sections of the Nation, including transportation and accommodations agencies, not to exceed six members, to be appointed by the Secretary of the Interior to serve at his pleasure. Meetings of the committee shall be held at the request of the Secretary for the purpose of making recommendations concerning the promotion of tourist travel under the provisions of sections 18-18d of this title. The members of the committee shall receive no compensation for their services as members, but shall be entitled to reimbursement for such necessary travel and other expenses in connection with their attendance at committee meetings, as may be authorized or approved by the Secretary. (July 19, 1940, ch. 642, § 3, 54 Stat. 773.)

§ 21a. Yellowstone National Park; revision of boundaries; contiguous national forests; jurisdiction of forests.

* * * * *

All of those lands lying within the boundary lines above described and the present north, east, and west boundary lines are hereby included in and made a part of the Yellowstone National Park; and all of those lands of the present Yellowstone National Park excluded from the park are hereby included in and made a part of the contiguous national forests subject to all laws and regulations applicable to national forests, and upon accept-

ance thereof by appropriate action of the State, jurisdiction for all purposes whatsoever shall be, and is hereby, ceded over the land hereby excluded from the park to the State of Wyoming. (Mar. 1, 1929, ch. 437, § 1, 45 Stat. 1435; Apr. 19, 1930, ch. 190, 46 Stat. 220.)

§ 37. Provision of feed and range facilities for game animals.—

As a means of providing within township 8 south, ranges 7 and 8 east, and township 9 south, ranges 7, 8, and 9 east, Montana principal meridian, the winter range and winter feed facilities indispensable for the adequate and proper protection, preservation, and propagation of the elk, antelope, and other game animals of the Yellowstone National Park and adjacent lands, the Secretary of the Interior, in his discretion, and subject to the limitation hereinafter prescribed may, and is hereby, authorized to perform the following acts:

(a) Accept and deposit in a special fund in the Treasury, and expend for the acquisition of lands as herein authorized, private funds donated for such purpose.

(b) Acquire by purchase, or by acceptance of donations or bequests, such lands in private or State ownership within the townships above described as he may deem necessary to carry out the purpose of sections 37-40 of this title. (May 26, 1926, ch. 399, § 1, 44 Stat. 655.)

CROSS REFERENCE

Trust funds, donations for National Park Service deposited into Treasury as, see sections 725s of Title 31, Money and Finance.

§ 38. Exchange for State or private lands authorized.—The Secretary of the Interior is hereby authorized in his discretion to accept, on behalf of the United States, title to any lands held in private or State ownership within the townships herein above described, and in exchange therefor may patent not to exceed an equal value of national forest land in the State of Montana, surveyed and nonmineral in character, or the Secretary of Agriculture may authorize the grantor to cut and remove not to exceed an equal value of timber within the national forests of said State, the values in each case to be determined by the Secretary of the Interior and the Secretary of Agriculture jointly: *Provided*, That before any such exchange is affected, notice of the contemplated exchange reciting the lands involved shall be published once each week for four successive weeks in some newspaper of general circulation in the county or counties in which may be situated the lands to be accepted and in some like newspaper published in any county in which may be situated any lands or timber to be given in such exchange. Timber given in exchange shall be cut and removed from national forests under the laws and regulations relating to the national forests and under the direction and supervision and in accordance with the requirements of the Secretary of Agriculture. (May 26, 1926, ch. 399, § 2, 44 Stat. 655.)

§ 39. Reservation of timber, minerals, or easements by owners on exchange.—Reservations of timber, minerals, or easements, the values of which shall be duly considered in determining the values of the lands conveyed, may be made by the owner or owners thereof in lands conveyed to the United States under the pro-

visions of sections 37-40 of this title. Where such reservations are made, the right to enjoy them shall be subject to such reasonable conditions respecting ingress and egress and the use of the surface of the land as may be deemed necessary by the Secretary of the Interior or the Secretary of Agriculture, whichever may be responsible for the handling and use of the land as provided in said sections: *Provided*, That all property, rights, easements, and benefits authorized by this section to be retained by or reserved to owners of land conveyed to the United States shall be subject to the tax laws of the States where such lands are located. (May 26, 1926, ch. 399, § 3, 44 Stat. 656.)

§ 40. **Additions to park; entry under other acts.**—The President of the United States is hereby authorized, in his discretion, to add by Executive proclamation to Yellowstone National Park any or all of the lands within a certain territory or tract in township 9 south, ranges 7 and 8 east, Montana principal meridian, to wit: Beginning at a point on the north line of said Yellowstone National Park where said line crosses the divide between Reese Creek and Mol Heron Creek, thence northeasterly along said divide to the junction of said divide with the branch divide north and west of Reese Creek; thence along said branch divide in a northeasterly and easterly direction around the drainage of Reese Creek, to the Yellowstone River; thence southerly and southeasterly along the west bank of the Yellowstone River to the line marking the western limits of the town of Gardiner, Montana; thence south on said town limits line to the northern boundary of Yellowstone National Park; thence west along the north boundary of Yellowstone National Park to the point of beginning, which are unappropriated lands of the United States or which may be acquired by the United States under the provisions of sections 37-40 of this title, within the territory described in this section, subject, however, to all valid existing claims and to reservations such as are authorized by section 39 of this title, but with the exception of valid existing claims, no land so added to Yellowstone National Park shall be subject to entry under the mining laws of the United States: *Provided*, That the Secretary of the Interior for such lands as are added to Yellowstone National Park may provide by rules and regulations for the management and use of the added lands as may in his discretion be necessary to accomplish the purposes of sections 37-40 of this title: *And provided further*, That the lands of the United States acquired by donation or purchase within the area described in section 37 of this title shall not be subject to location and entry under the mining laws of the United States nor sections 506-508, 509, of this title, authorizing homestead entries in national forests. (May 26, 1926, ch. 399, § 6, 44 Stat. 656.)

§ 45a. **Sequoia National Park; revision of boundaries.**

* * * * *

and all of those lands excluded from the present Sequoia National Park are hereby included in and made a part of the Sequoia National Forest, subject to all laws and regulations applicable to the national forests. (July 3, 1926, ch. 744, § 1, 44 Stat. 818.)

§ 46. Yosemite National Park; lands segregated from and included in Sierra National Forest; rights-of-way over.—All those tracts or parcels of ground described in section 471c of this title, but not included within the metes and bounds of the land hereinafter described are included and made a part of the Sierra National Forest, namely: The tracts of land in the State of California known and described as follows: Beginning at the point where the middle of the channel of the South Fork of the Merced River intersects the line between sections 3 and 4, township 4 south, range 20 east, Mount Diablo base and meridian; thence northerly along sections lines through the middle of townships 3 and 4 south, range 20 east, to the northwest corner of section 3, township 3 south, range 20 east; thence westerly along township line to the southwest corner of section 33, township 2 south, range 20 east; thence northerly along section lines to the northwest corner of section 21, said township; thence westerly along section lines to the southwest corner of section 18, said township; thence southerly along range line to the southeast corner of the northeast quarter of section 24, township 2 south, range 19 east; thence westerly to the southwest corner of the northeast quarter of section 24, said township; thence southerly to the southeast corner of the southwest quarter of section 24, said township; thence westerly along section lines to the southwest corner of section 23, said township; thence northerly along section lines to the northwest corner of the southwest quarter of section 14, said township; thence easterly to the northeast corner of the southeast quarter of section 14, said township; thence northerly along section line to the northwest corner of section 13, said township; thence easterly along section line to the northeast corner of section 13, said township; thence northerly along range line to the northwest corner of the southwest quarter of section 7, township 2, south, range 20 east; thence easterly to the northeast corner of the southeast quarter of section 7, said township; thence southerly along section line to the northwest corner of section 17, said township; thence easterly along section line to the northeast corner of section 16, said township; thence northerly along section lines to the northwest corner of section 3, said township; thence westerly along township line to the southwest corner of section 33, township 1 south, range 20 east; thence northerly along section lines to the northwest corner of section 21, said township; thence westerly along sections lines to the southwest corner of section 18, said township; thence northerly along range line to the northwest corner of section 6, said township; thence westerly along Mount Diablo base line to the southwest corner of section 34, township 1 north, range 19 east; thence northerly along section lines through the middle of townships 1 and 2 north, range 19 east, to the point of intersection with the summit of the divide between Cherry Creek on the west and Eleanor and Fall Creeks on the east; thence along the summit of said divide in a northeasterly direction to the summit of the Sierra Nevada Mountains; thence southeasterly along the summit of the Sierra Nevada Mountains to the divide between the Merced and San Joaquin Rivers; thence southwesterly along said divide to the point of

intersection with the south boundary of township 4 south, range 23 east, Mount Diablo base and meridian; thence westerly along township line to the point of intersection with the middle of the channel of the South Fork of the Merced River; thence westerly down the middle of said river to the place of beginning. The lands above described are reserved and withdrawn from settlement, occupancy, or sale under the laws of the United States, and set apart as reserved forest lands, subject to all the provisions of sections 61, 471c and 471d of this title. The Secretary of the Interior may require the payment of such price as he may deem proper for privileges on the land herein segregated from the Yosemite National Park and made a part of the Sierra National Forest accorded under sections 79 and 522 of this title, and other sections concerning rights-of-way over public lands; and the moneys received from the privileges accorded on the lands herein segregated and included in the Sierra National Forest shall be paid into the Treasury of the United States as provided by law. The forest lands herein set aside and reserved shall be known as the "Yosemite National Park." (Feb. 7, 1905, ch. 547, § 1, 33 Stat. 702.)

§ 47. Same; additional lands excluded from Yosemite National Park and added to Sierra National Forest.—That portion of the Yosemite National Park lying between the boundary line described in section 46 of this title and the line next herein described is excluded from said park and the said portion so described added to and made a part of the Sierra National Forest, to wit: Beginning at the point on the line between sections 35 and 36, township 4 south, range 21 east (where same intersects the middle of the channel of the South Fork of the Merced River; thence north on section line to the southwest corner of section 25; thence west on section lines to the southwest corner of section 28; thence north on section line to the northwest corner of section 28; thence west on section line to the quarter-section corner between sections 20 and 29; thence north through the middle of section 20 to the center thereof; thence east through the middle of section 20 to the quarter-section corner between sections 20 and 21; thence north on section line to the quarter-section corner between sections 16 and 17; thence west through middle of section 17 to the center thereof; thence north through the middle of sections 17, 8, and 5 to the quarter-section corner of north boundary of section 5 on township boundary, all in township 4 south, range 21 east; thence north through the middle of section 32, township 3 south, range 21 east, to the center thereof; thence west through the middle of section 32, said township, and section 36, township 3 south, range 20 east, to the quarter-section corner between sections 35 and 36; thence north on section line to the quarter-section corner between sections 25 and 26; thence east through the middle of section 25 to the center thereof; thence north through the middle of sections 25 and 24 to the center of section 24; thence west through the middle of sections 24, 23, and 22 to the quarter-section corner between sections 21 and 22, township 3 south, range 20 east, on the present western boundary of the Yosemite National Park. The above-indicated portion of land so made a

part of the Sierra National Forest shall be subject to all of the Acts of Congress with relation thereto. The Secretary of the Interior may require the payment of such price as he may deem proper for privileges on the land herein segregated from the Yosemite National Park and made a part of the Sierra National Forest accorded under sections 79 and 522 of this title, relating to rights-of-way over certain parks, reservations, and other lands, and other sections concerning right-of-way over public lands. In the grant of any right-of-way for railway purposes across the lands placed under this measure within the Sierra National Forest it shall be stipulated that no logs or timber shall be hauled over the same without the consent of the Secretary of the Interior and under regulations to be promulgated by him. (June 11, 1906, No. 27, § 1, 34 Stat. 831.)

§ 47a. Same; addition of certain lands to park authorized.—For the purpose of preserving and consolidating timber stands along the western boundary of the Yosemite National Park the President of the United States is hereby authorized, upon the joint recommendation of the Secretaries of Interior and Agriculture, to add to the Yosemite National Park, in the State of California, by Executive proclamation, section 1 and the north half of section 12, township 1 south, range 19 east, Mount Diablo meridian. (May 9, 1930, ch. 234, § 1, 46 Stat. 265.)

§ 7c. Same; acquisition of certain lands for preservation and consolidation of timber stands.—For the purpose of preserving and consolidating certain timber stands along the western boundary of the Yosemite National Park, the President of the United States is hereby authorized, upon the joint recommendation of the Secretaries of the Interior and of Agriculture, to add to said park by Executive proclamation any or all of the following-described lands: Sections 19, 20, 29, 30, 31, and 32, township 1 south, range 20 east, Mount Diablo meridian; east half section 1; east half section 12; southeast quarter section 24, township 2 south, range 19 east, Mount Diablo meridian; sections 4, 5, and 6; north half section 7; sections 8 and 9, and 19 and 20, township 2 south, range 20 east, Mount Diablo meridian, approximately nine thousand acres. (Mar. 2, 1929, ch. 498, 45 Stat. 1486.)

§ 49. Same; rights of claimants and owners of lands included; laws and regulations applicable within.—None of the lands patented and in private ownership in the area included under sections 46 and 47 of this title in the Sierra National Forest shall have the privileges of the lieu-land script provisions of the land laws, but otherwise to be in all respects under the laws and regulations affecting the national forests. All laws, rules, and regulations affecting national forests, including the right to change the boundaries thereof by Executive proclamation, shall take effect and be in force within the limits of the territory excluded by sections 46 and 47 from the Yosemite National Park, except as otherwise provided. (Feb. 7, 1905, ch. 547, § 2, 33 Stat. 703; June 11, 1906, No. 27, § 2, 24 Stat. 832.)

§ 51. Yosemite National Park; exchange of privately owned lands in park.—The Secretaries of the Departments of Interior

and Agriculture, for the purpose of eliminating private holdings within the Yosemite National Park and to preserve intact timber along and adjoining the roads in the scenic portion of the park on patented lands, are empowered in their discretion to obtain and accept for the United States a complete title to any and all patented lands within the boundaries of said park by the exchange of timber or timber and lands within the Yosemite National Park and the Sierra and Stanislaus National Forests for such lands and the timber thereon within the park, necessary conveyances of park and national forest timber or timber and lands to be made by said secretaries, respectively. The secretaries of the said departments are authorized to acquire title in fee by the exchange of lands of the United States for patented lands not exceeding six hundred and forty acres in the Sierra and Stanislaus National Forests, adjacent and contiguous to the Yosemite National Park, and when such patented lands are thus acquired, said lands shall become a part of the Yosemite National Park and be subject to all the provisions of sections 55, 61, 471c and 471d of this title. (Apr. 9, 1912, ch. 74, § 1, 37 Stat. 80; Apr. 16, 1914, ch. 58, 38 Stat. 345.)

§ 52. Same; values of lands and timber to be exchanged; lands added to park.—The value of patented lands within the park offered in exchange, and the value of the timber on park lands proposed to be given in exchange for such patented lands, shall be ascertained in such manner as the Secretary of the Interior may, in his discretion, direct, and all expenses incident to ascertaining such values shall be paid by the owners of said patented lands, and such owners shall, before any exchange is effective, furnish the Secretary of the Interior evidence satisfactory to him of title to the patented lands offered in exchange, and if the value of the timber on park lands exceeds the value of the patented lands deeded to the Government in the exchange such excess shall be paid to the Secretary of the Interior by the owners of the patented lands before any of the timber is removed from the park, and shall be deposited and covered into the Treasury as miscellaneous receipts. The same course shall be pursued in relation to exchange for timber standing near public roads on patented lands for timber to be exchanged on park lands. The lands conveyed to the Government under section 51 of this title shall become a part of the Yosemite National Park. (Apr. 9, 1912, ch. 74, § 2, 37 Stat. 80.)

§ 9. Mount Rainier National Park; grant of prior lands to Northern Pacific Railroad; lieu lands to settlers.—Upon execution and filing with the Secretary of the Interior, by the Northern Pacific Railroad Company, of proper deed releasing and conveying to the United States the lands in Mount Rainier National Park, also the lands in the Pacific National Forest which have been heretofore granted by the United States to said company, whether surveyed or unsurveyed, and which lie opposite said company's constructed road, said company is authorized to select an equal quantity of nonmineral public lands, so classified as nonmineral at the time of actual Government survey, which has been or shall be made, of the United States not reserved and to which no

adverse right or claim shall have attached or have been initiated at the time of the making of such selection, lying within any State into or through which the railroad of said Northern Pacific Railroad Company runs, to the extent of the lands so relinquished and released to the United States. Any settlers on lands in said national park may relinquish their rights thereto and take other public lands in lieu thereof, to the same extent and under the same limitations and conditions as are provided by law for national forests and national parks. (Mar. 2, 1899, ch. 377, § 3, 30 Stat. 994.)

§ 107. Same; boundary changed.

* * * * *

and all of those lands lying within the boundary above described are hereby included in and made a part of the Mount Rainier National Park; and all of those lands of the present Mount Rainier National Park excluded from the park are hereby included in and made a part of the Rainier National Forest, subject to all national forest laws and regulations. (May 28, 1926, ch. 410, § 1, 44 Stat. 668.)

§ 109. Additions to park.—The tract of land within the following-described boundaries is excluded from the Rainier National Forest and is added to and made a part of the Mount Rainier National Park, in the State of Washington:

Beginning at a point on the present east boundary of Mount Rainier National Park one and one-quarter miles southerly from the northeast corner of the said park as fixed by section 107 of this title, thence extending east to the summit of the hydrographic divide between Silver Creek and White River; thence along the summit of Crystal Mountain to the summit of the Cascade Mountains; thence southerly along the summit of the Cascade Mountains to a point in section 20, township 15 north, range 11 east, Willamette meridian, whence flow the waters of Bumping River to the east and Carlton and Cougar Creeks to the south and west; thence southwesterly along the summit of the divide between Carlton Creek and the waters flowing into the main fork of Ohanapecosh River to the quarter section line of section 9, township 14 north, range 10 east, Willamette meridian; thence westerly along the quarter section line of sections 9, 8, and 7 to the west boundary of said township; thence due west to the right or west bank of Muddy Fork of the Cowlitz River; thence northerly along the right bank of said Muddy Fork to a point exactly due east of post numbered 34 on the south boundary of Mount Rainier National Park as surveyed in 1908; thence due west to said post numbered 34; thence along the boundary of said park as surveyed in 1908 to post numbered 35; thence easterly along the south boundary of said national park as surveyed in 1908 to the southeast corner thereof; thence northerly along the east boundary of said national park as surveyed in 1908 to post numbered 59; thence along the east boundary of said park as revised by section 107 of this title, northerly to the point of beginning. (Jan. 31, 1931, ch. 71, § 1, 46 Stat. 1047.)

§ 121a. Crater Lake National Park; additions.—All of that certain tract described as follows: * * * * * and

the same is hereby, excluded from the Crater National Forest and made a part of the Crater Lake National Park, subject to all laws and regulations applicable to and governing said park. (May 14, 1932, ch. 184, 47 Stat. 155.)

§141a. Wind Cave National Park; boundaries; extension.—The boundaries of Wind Cave National Park in the State of South Dakota are hereby extended to include the lands within the east half of the southwest quarter, southeast quarter section 26, south half of section 25, east half of section 33, township 5 south, range 5 east, and south half section 30, township 5 south, range 6 east, Black Hills meridian, South Dakota, comprising in part a part of the Harney National Forest. Such lands are hereby made a part of Wind Cave National Park, and shall hereafter be subject to all laws and regulations applicable to such park. (Mar. 4, 1931, ch. 496, 46 Stat. 1518.)

§ 141b. Same; Wind Cave National Game Preserve transferred to park.—Effective July 1, 1935, the Wind Cave National Game Preserve in the State of South Dakota is abolished, and all the property, real or personal, comprising the same is hereby transferred to and made a part of the Wind Cave National Park and the same shall be administered by the Secretary of the Interior as a part of said park, subject to all laws and regulations applicable thereto, for the purposes expressed in section 672 of this title, establishing said game preserve. (June 15, 1935, ch. 261, Title VI, § 601, 49 Stat. 383.)

§ 164. Glacier National Park; eliminating private holdings of lands in; timber or public lands of equal value in exchange.—The Secretary of the Interior, for the purpose of eliminating private holdings within the Glacier National Park and the preservation intact of the natural forest along the roads in the scenic portions of the park, both on patented and park lands, is empowered, in his discretion: (1) To obtain for the United States the complete title to any or all of the lands held in private or State ownership within the boundaries of said park within townships 32 and 33 north, ranges 18 and 19 west of Montana principal meridian, by the exchange of dead, decadent, or matured timber of approximately equal values that can be removed from any part of the park without injuriously affecting the scenic beauty thereof; or, upon the approval of the Secretary of Agriculture, the timber to be selected or exchanged may be taken from the Government lands within the metes and bounds of the national forests within the State of Montana, or, (2) to obtain for the United States the complete title to any or all of the lands held in private ownership within the boundaries of said park by accepting from the owners of such privately owned lands complete relinquishment thereof and by granting and patenting to such owners, in exchange therefor, in each instance, like public land of equal value situate in the State of Montana, after due notice of the proposed exchange has been given by publication for not less than thirty days in the counties where the lands proposed to be exchanged or taken in exchange are located. (Mar. 3, 1917, ch. 164, § 1, 39 Stat. 1122; Feb. 28, 1923, ch. 144, § 1, 42 Stat. 1324.)

§ 166. Same; exchange of timber for private holdings in; valuations.—For purposes of subdivision (1) of section 164 of this title the value of all patented lands within said park, including the timber thereon, offered for exchange, and the value of the timber on park lands, or on Government lands within the metes and bounds of the national forests within the State of Montana, proposed to be given in exchange for such patented lands, shall be ascertained in such manner as the Secretary of the Interior and the Secretary of Agriculture may jointly in their discretion direct, and all expenses incident to ascertaining such values shall be paid by the owners of said patented lands. Such owners shall, before any exchange is effective, furnish the Secretary of the Interior evidence satisfactory to him of title to the patented lands offered in exchange; and if the value of timber on park lands or on the Government lands in the national forests within the State of Montana exceeds the value of the patented lands deeded to the Government in exchange, such excess shall be paid to the Secretary of the Interior by the owners of the patented lands before any timber is removed, and shall be deposited and covered into the Treasury as miscellaneous receipts. The lands conveyed to the Government under this section and subdivision (1) of section 164 shall become a part of the Glacier National Park. (Mar. 3, 1917, ch. 164, § 2, 39 Stat. 1122.)

§ 167. Same; exchange of timber for private holdings in; removal of timber.—All timber on Government lands in the park must be cut and removed under regulations to be prescribed by the Secretary of the Interior, and any damage which may result to the roads or any part of the park or the national forests in consequence of the cutting and removal of the timber therefrom shall be borne by the owners of the patented lands, and bonds satisfactory to the Secretary of the Interior and the Secretary of Agriculture, jointly, must be given for the payment of such damages, if any, as shall be determined by the Secretary of the Interior so far as the same relates to lands within a national park and by the Secretary of Agriculture where the same relates to lands in the national forests. The Secretary of Agriculture and the Secretary of the Interior shall jointly report to Congress in detail the factors upon which valuations were made. (Mar. 3, 1917, ch. 164, § 3, 39 Stat. 1122.)

§ 192a. Rocky Mountain National Park; boundaries revised; excluded lands transferred.

* * * * *

That those portions of the following-described lands that are hereby excluded from the Rocky Mountain National Park, are hereby transferred to and made a part of the Colorado National Forest, subject to all laws and regulations applicable to National Forests; the northwest quarter of the northeast quarter and northeast quarter of the northwest quarter, section 33, township 7 north, range 74 west; section 6, township 5 north, range 72 west; the southeast quarter of the southeast quarter of section 34, township 5 north, range 73 west; sections 3, 10, and 15, township 4 north, range 73 west. (June 9, 1926, ch. 515, § 1, 44 Stat. 712.)

§ 192b. Same; addition of lands.—The President of the United States is authorized, upon the recommendation of the Secretary of the Interior, and with respect to lands located in a national forest upon the joint recommendation of the Secretaries of the Interior and of Agriculture, to add to the Rocky Mountain National Park, in the State of Colorado, by Executive proclamation any or all of the following-described lands, to-wit:

* * * * *

and all the lands added to said park pursuant hereto are hereby made subject to all laws, rules, and regulations applicable to and in force in the Rocky Mountain National Park. (June 21, 1930, ch. 561, § 1, 46 Stat. 791.)

§ 204k. Lassen Volcanic National Park; addition of lands.—The President of the United States is authorized, upon the joint recommendation of the Secretaries of the Interior and of Agriculture, to add to the Lassen Volcanic National Park, in the State of California, by Executive proclamation, any or all of the lands within sections 3 and 4, township 29 north, range 6 east; and sections 29, 30, 31, 32, 33, 34, 35, and 36, township 30 north, range 6 east, Mount Diablo meridian, not now included within the boundaries of the park: *Provided*, That no privately owned lands shall be added to the park prior to the vesting in the United States of title thereto. (July 3, 1930, ch. 834, § 1, 46 Stat. 853.)

§ 221a. Grand Canyon National Park; boundary changed.—The boundary of the Grand Canyon National Park is hereby changed so as to read as follows: * * * * and all of those lands lying within the boundary line above described are hereby included in and made a part of the Grand Canyon National Park; and all of those lands excluded from the present Grand Canyon National Park are hereby included in and made a part of the contiguous national forests, subject to all national forest laws and regulations. (Feb. 25, 1927, ch. 197, § 1, 44 Stat. 1238.)

§ 251. Olympic National Park; establishment; boundaries.—The Mount Olympus National Monument established pursuant to proclamation of the President dated March 2, 1909, is hereby abolished, and the tracts of lands in the State of Washington particularly described as follows, to wit: * * * * and all lands formerly included in the Mount Olympus National Monument and not included in the above description are hereby transferred to and made a part of the Olympic National Forest. (June 29, 1938, ch. 812, § 1, 52 Stat. 1241.)

§ 253. Same; apportionment of income among counties.—The income of each county receiving moneys from the Olympic National Forest, under section 500 of this title, shall be proportional to the total area of each county in the Olympic National Forest and the Olympic National Park combined. (June 29, 1938, ch. 812, § 3, 52 Stat. 1242.)

§ 255. Olympic National Park; effect on existing homestead, mineral, etc., entries; addition of lands.—Nothing contained in sections 251-255 of this title shall affect any valid existing claim, location, or entry made under the land laws of the United States, whether for homestead, mineral, right-of-way, or any

other purpose whatsoever, or shall affect the right of any such claimant, locator, or entryman to the full use and enjoyment of his land, nor the rights reserved by treaty to the Indians of any tribes.

The President may after eight months from June 29, 1938, by proclamation add to the Olympic National Park any lands within the boundaries of the Olympic National Forest, and any lands which may be acquired by the Government by gift or purchase, which he may deem it advisable to add to such park; and any lands so added to such park shall, upon their addition thereto, become subject to all laws and regulations applicable to other lands within such park: *Provided*, That the total area of the said park shall not exceed eight hundred and ninety-eight thousand two hundred and ninety-two acres: *Provided further*, That before issuing any such proclamation, the President shall consult with the Governor of the State of Washington, the Secretary of the Interior, and the Secretary of Agriculture and advise them of the lands which he proposes to add to such park, and shall afford them a reasonable opportunity to consult with and communicate to him their views and recommendations with respect to the addition of such lands to such park. (June 29, 1938, ch. 812, § 5, 52 Stat. 1242.)

§ 402b. Bryce Canyon National Park; additions to park.—The east half east half section 25, township 36 south, range 4 west; the east half and southwest quarter section 20, and all of sections 21, 29, and 30, township 36 south, range 3 west; all of sections 24 and 25, township 37 south, range 4 west; and all of sections 19 and 30, township 37 south, range 3 west, Salt Lake meridian, are excluded from the Powell National Forest and made a part of the Bryce Canyon National Park, subject to the provisions of sections 401 and 402 of this title. (Feb. 25, 1928, ch. 102, § 2, 45 Stat. 147; May 12, 1928, ch. 533, § 2, 45 Stat. 502.)

§ 402f. Same; further additions to park.—For the purpose of preserving in their natural state the outstanding scenic features thereon and for the purpose of rounding out the boundary of the Bryce Canyon National Park, the President of the United States is authorized, upon the joint recommendation of the Secretaries of Interior and of Agriculture, to add to said park by Executive proclamation any or all of the following-described lands in the State of Utah, which shall thereupon become a part of said park subject to all laws and regulations applicable thereto, to wit: * * *

* * * *Provided*, That nothing herein shall affect any valid existing claims upon the lands herein authorized to be added to the park or the rights of stockmen to continue to drive stock over the lands now under an existing stock driveway withdrawal. (Feb. 17, 1931, ch. 209, § 1, 46 Stat. 1166; Mar. 7, 1942, ch. 161, 56 Stat. 141.)

§ 402g. Same; elimination of lands from park.—The following-described lands are hereby eliminated from the Bryce Canyon National Park and shall hereafter be included in and become a part of the Powell National Forest, subject to all laws and regulations applicable thereto, to wit: Section 30, township 37 south, range 3 west; section 25, unsurveyed township 37 south, range

4 west, Salt Lake meridian. (Feb. 17, 1931, ch. 209, § 2, 46 Stat. 1167.)

§ 431. National monuments; reservation of land; relinquishment of private claims.—The President of the United States is authorized, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and may reserve as a part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected. When such objects are situated upon a tract covered by a bona fide unperfected claim or held in private ownership, the tract, or so much thereof as may be necessary for the proper care and management of the object, may be relinquished to the Government, and the Secretary of the Interior is hereby authorized to accept the relinquishment of such tracts in behalf of the Government of the United States. (June 8, 1906, ch. 3060, § 2, 34 Stat. 225.)

§ 432. Same; permits to examine ruins, excavations, and gathering of objects; regulations.—Permits for the examination of ruins, the excavation of archaeological sites, and the gathering of objects of antiquity upon the lands under their respective jurisdictions may be granted by the Secretaries of the Interior, Agriculture, and War to institutions which they may deem properly qualified to conduct such examination, excavation, or gathering, subject to such rules and regulations as they may prescribe: *Provided*, That the examinations, excavations, and gatherings are undertaken for the benefit of reputable museums, universities, colleges, or other recognized scientific or educational institutions, with a view to increasing the knowledge of such objects, and that the gatherings shall be made for permanent preservation in public museums. The Secretaries of the departments aforesaid shall make and publish from time to time uniform rules and regulations for the purpose of carrying out the provisions of this section and sections 431 and 433 of this title. (June 8, 1906, ch. 3060, §§ 3, 4, 34 Stat. 225.)

§ 433. American antiquities.—Any person who shall appropriate, excavate, injure, or destroy any historic or prehistoric ruin or monument, or any object of antiquity, situated on lands owned or controlled by the Government of the United States, without the permission of the Secretary of the Department of the Government having jurisdiction over the lands on which said antiquities are situated, shall, upon conviction, be fined in a sum of not more than \$500 or be imprisoned for a period of not more than ninety days, or shall suffer both fine and imprisonment, in the discretion of the court. (June 8, 1906, ch. 3060, § 1, 34 Stat. 225.)

NATIONAL PARKWAYS

§ 460. Natchez Trace Parkway.—All lands and easements heretofore and hereafter conveyed to the United States by the States of Mississippi, Alabama, and Tennessee for the right-of-

way for the projected parkway between Natchez, Mississippi, and Nashville, Tennessee, together with sites acquired or to be acquired for recreational areas in connection therewith, and a right-of-way for said parkway of a width sufficient to include the highway and all bridges, ditches, cuts, and fills appurtenant thereto, but not exceeding a maximum of two hundred feet through Government-owned lands (except that where small parcels of Government-owned lands would otherwise be isolated, or where topographic conditions or scenic requirements are such that bridges, ditches, cuts, fills, parking overlooks, and landscape development could not reasonably be confined to a width of two hundred feet, the said maximum may be increased to such width as may be necessary, with the written approval of the department or agency having jurisdiction over such lands) as designated on maps heretofore or hereafter approved by the Secretary of the Interior, shall be known as the Natchez Trace Parkway and shall be administered and maintained by the Secretary of the Interior through the National Park Service, subject to the provisions of sections 1, 2-4 of this title, the provisions of which sections, as amended and supplemented, are hereby extended over and made applicable to said parkway: *Provided*, That the Secretary of Agriculture is hereby authorized, with the concurrence of the Secretary of the Interior, to connect with said parkway such roads and trails as may be necessary for the protection, administration, or utilization of adjacent and nearby national forests and the resources thereof: *And provided further*, That the Forest Service and the National Park Service shall, insofar as practicable, coordinate and correlate such recreational developments as each may plan, construct, or permit to be constructed, on lands within their respective jurisdictions, which, by mutual agreement, should be given special treatment for recreational purposes. (May 18, 1938, ch. 251, § 1, 52 Stat. 407.)

§ 460a-2. Blue Ridge Parkway; establishment; administration.—All lands and easements heretofore or hereafter conveyed to the United States by the States of Virginia and North Carolina for the right-of-way for the projected parkway between the Shenandoah and Great Smoky Mountains National Parks, together with sites acquired or to be acquired for recreational areas in connection therewith, and a right-of-way for said parkway of a width sufficient to include the highway and all bridges, ditches, cuts, and fills appurtenant thereto, but not exceeding a maximum of two hundred feet through Government-owned lands (except that where small parcels of Government-owned lands would otherwise be isolated, or where topographic conditions or scenic requirements are such that bridges, ditches, cuts, fills, parking overlooks, landscape development, recreational and other facilities requisite to public use of said parkway could not reasonably be confined to a width of two hundred feet, the said maximum may be increased to such width as may be necessary, with the written approval of the department or agency having jurisdiction over such lands) as designated on maps heretofore or hereafter approved by the Secretary of the Interior, shall be known as the Blue Ridge Parkway and shall be administered and maintained

by the Secretary of the Interior through the National Park Service, subject to the provisions of sections 1, 2-4 of this title, the provisions of which sections, as amended and supplemented, are hereby extended over and made applicable to said parkway: *Provided*, That the Secretary of Agriculture is hereby authorized, with the concurrence of the Secretary of the Interior, to connect with the parkway such roads and trails as may be necessary for the protection, administration, or utilization of adjacent and nearby national forest and the resources thereof: *And provided further*, That the Forest Service and the National Park Service shall, insofar as practicable, coordinate and correlate such recreational development as each may plan, construct, or permit to be constructed on lands within their respective jurisdictions which, by mutual agreement, should be given special treatment for recreational purposes. (June 30, 1936, ch. 883, 49 Stat. 2041; June 8, 1940, ch. 277, § 1, 54 Stat. 249.)

§ 460b. **Location of parkways.**—Hereafter the location of such parkways upon public lands, national forests, or other Federal reservations shall be determined by agreement between¹ the department having jurisdiction over such lands and the National Park Service. (June 16, 1936, ch. 582, § 5, 49 Stat. 1520; June 8, 1938, ch. 328, § 8, 52 Stat. 635; Sept. 5, 1940, ch. 715, § 9, 54 Stat. 870.)

THE NATIONAL FORESTS

§ 471. **National forests; establishment; limitation on additions in certain States; lands suitable for production of timber.**—The President of the United States may, from time to time, set apart and reserve, in any State or Territory having public land bearing forests, in any part of the public lands wholly or in part covered with timber or undergrowth, whether of commercial value or not, as national forests, and the President shall, by public proclamation, declare the establishment of such forests and the limits thereof.

(a) No national forest shall be created, nor shall any additions be made to one created prior to June 25, 1910, within the limits of the States of California, Oregon, Washington, Idaho, Montana, Colorado, or Wyoming, except by Act of Congress.

(b) The President, in his discretion, is authorized to establish as national forests or parts thereof, any lands within the boundaries of Government reservations, other than national parks, reservations for phosphate and other mineral deposits, or water-power purposes, national monuments and Indian reservations, which in the opinion of the Secretary of the department now administering the area and the Secretary of Agriculture are suitable for the production of timber, to be administered by the Secretary of Agriculture under such rules and regulations and in accordance with such general plans as may be jointly approved by the Secretary of Agriculture and the Secretary formerly administering the area, for the use and occupation of such lands and for the sale of products therefrom. Any person who shall violate any rule or regulation promulgated under this subdivision

¹ So in original.

shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$500 or imprisoned for not more than one year, or both. (Mar. 3, 1891, ch. 561, § 24, 26 Stat. 1103; Mar. 4, 1907, ch. 2907, 34 Stat. 1271; June 25, 1910, ch. 421, § 2, 36 Stat. 847; Aug. 24, 1912, ch. 369, 37 Stat. 497; June 7, 1924, ch. 348, § 9, 43 Stat. 655.)

NOTE

Act March 4, 1906, 34 Stat. 1271, provided that "The forest reserves shall hereafter be known as national forests."

CROSS REFERENCE

Forest reservation not to be created or present reservations extended within limits of New Mexico and Arizona except by act of Congress, see section 471a of this title.

§ 471a. Forest reserves in New Mexico and Arizona restricted.—No forest reservation shall be created, nor shall any additions be made to one created prior to June 15, 1926, within the limits of the States of New Mexico and Arizona except by Act of Congress. (June 15, 1926, ch. 587, 44 Stat. 745.)

§ 471b. Additional lands within State of Montana.—The President of the United States is authorized, in his discretion, to add to existing national forests, or to include within new national forests, by proclamation or Executive order, any unappropriated public lands of the United States situated in the State of Montana which, in his opinion, are chiefly valuable for the production of timber or the protection of watersheds: *Provided*, That the inclusion of such lands within a national forest shall be subject to any claim, entry, or appropriation under the public land laws then valid and subsisting and thereafter legally maintained. (July 20, 1939, ch. 334, § 1, 53 Stat. 1071.)

REPEAL

Section 2 of act July 20, 1939, cited to text, provided that all previous acts and parts of acts in conflict therewith were repealed insofar as they applied to the State of Montana.

§ 471c. Lands in California set aside as reserved forest lands.—The tracts of land in the State of California known and described as follows: Commencing at the northwest corner of township 2 north, range 19 east Mount Diablo meridian, thence eastwardly on the line between townships 2 and 3 north, ranges 24 and 25 east; thence southwardly on the line between ranges 24 and 25 east to the Mount Diablo base line; thence eastwardly on said base line to the corner to township 1 south, ranges 25 and 26 east; thence southwardly on the line between ranges 25 and 26 east to the southeast corner of township 2 south, range 25 east; thence eastwardly on the line between townships 2 and 3 south, range 26 east to the corner to townships 2 and 3 south, ranges 26 and 27 east; thence southwardly on the line between ranges 26 and 27 east to the first standard parallel south; thence westwardly on the first standard parallel south to the southwest corner of township 4 south, range 19 east; thence northwardly on the line between ranges 18 and 19 east to the northwest corner of township 2 south, range 19 east; thence westwardly on the line between townships 1 and 2 south to the southwest corner of

township 1 south, range 19 east; thence northwardly on the line between ranges 18 and 19 east to the northwest corner of township 2 north, range 19 east, the place of beginning, are reserved and withdrawn from settlement, occupancy, or sale under the laws of the United States, and set apart as reserved forest lands; and all persons who shall locate or settle upon, or occupy the same or any part thereof, except as hereinafter provided, shall be considered trespassers and removed therefrom. Nothing in this section and sections 55, 61, and 471d of this title shall be construed as in anywise affecting any bona fide entry of land made within the limits above described under any law of the United States prior to October 1, 1890. (Oct. 1, 1890, ch. 1263, § 1, 26 Stat. 650.)

§ 471d. **Additional forest reserves in California.**—There is reserved and withdrawn from settlement, occupancy or sale under the laws of the United States, and set apart as reserved forest lands, as provided in section 471c of this title, and subject to all the limitations and provisions therein contained, the following lands, to wit: Township 17 south, range 30 east of the Mount Diablo meridian, excepting sections 31, 32, 33, and 34 of said township, included in section 41 of this title. And there is also reserved and withdrawn from settlement, occupancy or sale under the laws of the United States, and set apart as forest lands, subject to like limitations, conditions, and provisions, all of townships 15 and 16 south, of ranges 29 and 30 east of the Mount Diablo meridian. And there is also hereby reserved and withdrawn from settlement, occupancy or sale under the laws of the United States, and set apart as reserved forest lands under like limitations, restrictions, and provisions, sections 5 and 6 in township 14 south, range 28, east of Mount Diablo meridian, and also sections 31 and 32 of township 13 south, range 28 east of the same meridian. Nothing in this section or sections 55, 61, and 471c of this title, shall authorize rules or contracts touching the protection and improvement of said reservations, beyond the sums that may be received by the Secretary of the Interior under the foregoing provisions, or authorize any charge against the Treasury of the United States. (Oct. 1, 1890, ch. 1263, § 3, 26 Stat. 651.)

§ 471e. **Same; extension of boundaries of Sequoia National Forest.**—Subject to existing valid claims, the boundaries of the Sequoia National Forest, California, be, and they are hereby, extended to include the following described lands, which shall hereafter be subject to the laws, rules, and regulations relating to said national forest:

Southwest quarter southwest quarter section 7; section 16 and section 17; east half northeast quarter, southwest quarter northeast quarter, southeast quarter northwest quarter, east half southeast quarter section 18; east half northwest quarter, northwest quarter northwest quarter, northeast quarter section 20; northwest quarter northwest quarter section 21; and tract numbered 48 in the southeast quarter section 28, all in township 21 south, range 31 east, of the Mount Diablo meridian in California. (Dec. 9, 1942, ch. 712, 56 Stat. 1044.)

§ 472. Laws affecting national forest lands.—The Secretary of the Department of Agriculture shall execute or cause to be executed all laws affecting public lands reserved under the provisions of section 471 of this title, or sections supplemental to and amendatory thereof, subject to the provisions for national forests established under subdivision (b) of section 471 of this title, after such lands have been so reserved, excepting such laws as affect the surveying, prospecting, locating, appropriating, entering, relinquishing, reconveying, certifying, or patenting of any such lands. (Feb. 1, 1905, ch. 288, § 1, 33 Stat. 628.)

§ 473. Revocation, modification, or vacation of orders or proclamations establishing national forests.—The President of the United States is authorized and empowered to revoke, modify, or suspend any and all Executive orders and proclamations or any part thereof issued under section 471 of this title, from time to time as he shall deem best for the public interest. By such modification he may reduce the area or change the boundary lines or may vacate altogether any order creating a national forest. (June 4, 1897, ch. 2, § 1, 30 Stat. 34, 36.)

§ 474. Surveys; plats and field notes; maps; effect under Act June 4, 1897.—Surveys, field notes, and plats returned from the survey of public lands designated as national forests undertaken under the supervision of the Director of Geological Survey in accordance with provisions of Act June 4, 1897, chapter 2, section 1, Thirtieth Statutes, page 34, shall have the same legal force and effect as surveys, field notes, and plats returned through the Field Surveying Service; and such surveys, which include subdivision surveys under the rectangular system, approved by the Commissioner of the General Land Office as in other cases, and properly certified copies thereof shall be filed in the respective land offices of the districts in which such lands are situated, as in other cases. All laws inconsistent with the provisions hereof are declared inoperative as respects such survey. A copy of every topographic map and other maps showing the distribution of the forests, together with such field notes as may be taken relating thereto, shall be certified thereto by the Director of the Survey and filed in the General Land Office. (June 4, 1897, ch. 2, § 1, 30 Stat. 34; Mar. 3, 1925, ch. 462, 43 Stat. 1144.)

§ 475. Purposes for which national forests may be established and administered.—All public lands designated and reserved prior to June 4, 1897, by the President of the United States under the provisions of section 471 of this title, the orders for which shall be and remain in full force and effect, unsuspended and unrevoked, and all public lands that may hereafter be set aside and reserved as national forests under said section, shall be as far as practicable controlled and administered in accordance with the following provisions. No national forest shall be established, except to improve and protect the forest within the boundaries, or for the purpose of securing favorable conditions of water flows, and to furnish a continuous supply of timber for the use and necessities of citizens of the United States; but it is not the purpose or intent of these provisions, or of section 471 of this title, to authorize the inclusion therein of lands more valuable for the

mineral therein, or for agricultural purposes, than for forest purposes. (June 4, 1897, ch. 2, § 1, 30 Stat. 34.)

§ 476. **Sale of timber.**—For the purpose of preserving the living and growing timber and promoting the younger growth on national forests, the Secretary of Agriculture, under such rules and regulations as he shall prescribe, may cause to be designated and appraised so much of the dead, matured, or large growth of trees found upon such national forests as may be compatible with the utilization of the forests thereon, and may sell the same for not less than the appraised value in such quantities to each purchaser as he shall prescribe, to be used in the State or Territory in which such timber reservation may be situated, respectively, but not for export therefrom. Before such sale shall take place notice thereof shall be given by the said Secretary of Agriculture for not less than thirty days, by publication in one or more newspapers of general circulation, as he may deem necessary, in the State or Territory where such reservation exists. In cases of unusual emergency the Secretary of Agriculture may, in the exercise of his discretion, permit the purchase of timber and cord wood in advance of advertisement of sale at rates of value approved by him and subject to payment of the full amount of the highest bid resulting from the usual advertisement of sale. He may, in his discretion, sell without advertisement, in quantities to suit applicants, at a fair appraisement, timber and cord wood and other forest products not exceeding in value \$500. In cases in which advertisement is had and no satisfactory bid is received, or in cases in which the bidder fails to complete the purchase, the timber may be sold, without further advertisement, at private sale, in the discretion of the Secretary of Agriculture, at not less than the appraised valuation, in quantities to suit purchasers. Payments for such timber to be made to the receiver of the local land office of the district wherein said timber may be sold, under such rules and regulations as the Secretary of Agriculture may prescribe; and the moneys arising therefrom shall be accounted for by the receiver of such land office to the Secretary of Agriculture, in a separate account, and shall be covered into the Treasury. Such timber, before being sold, shall be marked and designated, and shall be cut and removed under the supervision of some person appointed for that purpose by the Secretary of Agriculture not interested in the purchase or removal of such timber nor in the employment of the purchaser thereof. Such supervisor shall make report in writing to the Secretary of Agriculture and to the receiver in the land office in which such reservation shall be located of his doings in the premises. (June 4, 1897, ch. 2, § 1, 30 Stat. 35; June 6, 1900, ch. 804, 31 Stat. 661; Feb. 1, 1905, ch. 288, § 1, 33 Stat. 628; June 30, 1906, ch. 3913, 34 Stat. 684; Mar. 3, 1925, ch. 457, § 3, 43 Stat. 1132.)

CROSS REFERENCES

Contracts for sale of forest products, use of national-forest lands, etc., exempt from requirements of section 20 of Title 41 where amount involved is less than \$300, see section 20a of Title 41, Public Contracts.

Export of timber cut on national forests of Alaska permitted if local supply will not be endangered thereby, see section 616 of this title.

Export of timber cut or removed from national forests to be permitted in discretion of Secretary of Agriculture, see section 491 of this title.

§ 477. Use of timber and stone by settlers.—The Secretary of Agriculture may permit, under regulations to be prescribed by him, the use of timber and stone found upon national forests, free of charge, by bona fide settlers, miners, residents, and prospectors for minerals, for firewood, fencing, buildings, mining, prospecting, and other domestic purposes, as may be needed by such persons for such purposes; such timber to be used within the State or Territory, respectively, where such national forests may be located. (June 4, 1897, ch. 2, § 1, 30 Stat. 35.)

§ 478. Egress or ingress of actual settlers; prospecting.—Nothing in sections 473-482 and section 551 of this title shall be construed as prohibiting the egress or ingress of actual settlers residing within the boundaries of national forests, or from crossing the same to and from their property or homes; and such wagon roads and other improvements may be constructed thereon as may be necessary to reach their homes and to utilize their property under such rules and regulations as may be prescribed by the Secretary of Agriculture. Nor shall anything herein prohibit any person from entering upon such national forests for all proper and lawful purposes, including that of prospecting, locating, and developing the mineral resources thereof. Such persons must comply with the rules and regulations covering such national forests. (June 4, 1897, ch. 2, § 1, 30 Stat. 36.)

§ 479. Sites for schools and churches.—The settlers residing within the exterior boundaries of national forests, or in the vicinity thereof, may maintain schools and churches within such national forest, and for that purpose may occupy any part of the said national forest, not exceeding two acres for each school-house and one acre for a church. (June 4, 1897, ch. 2, § 1, 30 Stat. 36.)

§ 480. Civil and criminal jurisdiction.—The jurisdiction, both civil and criminal, over persons within national forests shall not be affected or changed by reason of their existence, except so far as the punishment of offenses against the United States therein is concerned; the intent and meaning of this provision being that the State wherein any such national forest is situated shall not, by reason of the establishment thereof, lose its jurisdiction, nor the inhabitants thereof their rights and privileges as citizens, or be absolved from their duties as citizens of the State. (June 4, 1897, ch. 2, § 1, 30 Stat. 36; Mar. 1, 1911, ch. 186, § 12, 36 Stat. 963.)

§ 481. Use of waters.—All waters within the boundaries of national forests may be used for domestic, mining, milling, or irrigation purposes, under the laws of the State wherein such national forests are situated, or under the laws of the United States and the rules and regulations established thereunder. (June 4, 1897, ch. 2, § 1, 30 Stat. 36.)

§ 482. Mineral lands; restoration to public domains; location and entry.—Upon the recommendation of the Secretary of the Interior, with the approval of the President, after sixty days'

notice thereof, published in two papers of general circulation in the State or Territory wherein any national forest is situated, and near the said national forest, any public lands embraced within the limits of any such forest which, after due examination by personal inspection of a competent person appointed for that purpose by the Secretary of the Interior, shall be found better adapted for mining or for agricultural purposes than for forest usage, may be restored to the public domain. And any mineral lands in any national forest which have been or which may be shown to be such, and subject to entry under the existing mining laws of the United States and the rules and regulations applying thereto, shall continue to be subject to such location and entry, notwithstanding any provisions contained in sections 473-482 and section 551 of this title. (June 4, 1897, ch. 2, § 1, 30 Stat. 36.)

§ 482a. Mining rights in Prescott National Forest.—After January 19, 1933, mining locations made under the United States mining laws upon lands within the municipal watershed of the city of Prescott, within the Prescott National Forest in the State of Arizona, specifically described as the west half southwest quarter section 13; south half section 14; southeast quarter, and east half southwest quarter section 22; all of section 23; west half section 24; all of sections 26 and 27; north half north half section 34; and north half north half section 35, township 13 north, range 2 west, Gila and Salt River base and meridian, an area of three thousand six hundred acres, more or less, shall confer on the locator the right to occupy and use so much of the surface of the land covered by the location as may be reasonably necessary to carry on prospecting and mining, including the taking of mineral deposits and timber required by or in the mining operations, and no permit shall be required or charge made for such use or occupancy: *Provided, however,* That the cutting and removal of timber, except where clearing is necessary in connection with mining operations or to provide space for buildings or structures used in connection with mining operations, shall be conducted in accordance with the rules for timber cutting on adjoining national-forest land, and no use of the surface of the claim or the resources therefrom not reasonably required for carrying on mining and prospecting shall be allowed except under the national forest rules and regulations, nor shall the locator prevent or obstruct other occupancy of the surface or use of surface resources under authority of national-forest regulations, or permits issued thereunder, if such occupancy or use is not in conflict with mineral development.

After January 19, 1933, all patents issued under the United States mining laws affecting lands within the municipal watershed of the city of Prescott, within the Prescott National Forest, in the State of Arizona, shall convey title to the mineral deposits within the claim, together with the right to cut and remove so much of the mature timber therefrom as may be needed in extracting and removing the mineral deposits, if the timber is cut under sound principles of forest management as defined by the national-forest rules and regulations, but each patent shall

reserve to the United States all title in or to the surface of the lands and products thereof, and no use of the surface of the claim or the resources therefrom not reasonably required for carrying on mining or prospecting shall be allowed except under the rules and regulations of the Department of Agriculture.

Valid mining claims within the municipal watershed of the city of Prescott, within the Prescott National Forest in the State of Arizona, existing on January 19, 1933, and thereafter maintained in compliance with the law under which they were initiated and the laws of the State of Arizona, may be perfected under this section, or under the laws under which they were initiated, as the claimant may desire. (Jan. 19, 1933, ch. 12, §§ 1-3, 47 Stat. 771.)

§ 482b. Mount Hood National Forest; mining rights.—After May 11, 1934, mining locations made under the United States mining laws upon lands within the Mount Hood National Forest in the State of Oregon shall confer on the locator the right to occupy and use so much of the surface of the land covered by the location as may be reasonably necessary to carry on prospecting and mining, including the taking of mineral deposits and timber required by or in the mining operations, and no permit shall be required or charge made for such use or occupancy: *Provided, however,* That the cutting and removal of timber, except where clearing is necessary in connection with mining operations or to provide space for buildings or structures used in connection with mining operations, shall be conducted in accordance with the rules for timber cutting on adjoining national-forest land, and no use of the surface of the claim or the resources therefrom not reasonably required for carrying on mining or prospecting shall be allowed except under the national-forest rules and regulations, nor shall the locator prevent or obstruct other occupancy of the surface or use of surface resources under authority of national-forest regulations, or permits issued thereunder, if such occupancy or use is not in conflict with mineral development. (May 11, 1934, ch. 280, § 1, 48 Stat. 773.)

§ 482c. Same; patents.—After May 11, 1934, all patents issued under the United States mining laws affecting lands within the Mount Hood National Forest within the State of Oregon shall convey title to the mineral deposits within the claim, together with the right to cut and remove so much of the timber therefrom as may be needed in extracting and removing the mineral deposits, if the timber is cut under sound principles of forest management as defined by the national-forest rules and regulations, but each patent shall reserve to the United States all title in or to the surface of the lands and products thereof, and no use of the surface of the claim or the resources therefrom not reasonably required for carrying on mining or prospecting shall be allowed except under the rules and regulations of the Forest Service. (May 11, 1934, ch. 280, § 2, 48 Stat. 773.)

§ 482d. Same; perfection of claims.—Valid mining claims within the Mount Hood National Forest in the State of Oregon existing on May 11, 1934, and thereafter maintained in compli-

ance with the law under which they were initiated and the laws of the State of Oregon, may be perfected under sections 482b and 482c of this title, or under the law under which they were initiated, as the claimant may desire. (May 11, 1934, ch. 280, § 3, 48 Stat. 773.)

§ 482e. Lincoln National Forest; mining rights.—Hereafter mining locations made under the United States mining laws upon lands within the watershed of the headwaters of the Bonito River in the Lincoln National Forest within the State of New Mexico, specifically described as those certain pieces or parcels of land situate, lying, and being in the county of Lincoln, State of New Mexico, described as follows:

The east half east half section 12, east half east half section 13, east half northeast quarter section 24, township 10 south, range 10 east, New Mexico principal meridian; southeast quarter section 25, southwest quarter section 26, south half section 27, southeast quarter and south half southwest quarter section 28, southeast quarter section 31, and all of sections 32, 33, 34, 35, and 36, township 9 south, range 11 east, New Mexico principal meridian; all of sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 20, 21, 22, 23, 27, 28, and 29, north half section 19, north half and southwest quarter section 24, northwest quarter section 26, north half northeast quarter section 32, and north half north half section 33, township 10 south, range 11 east, New Mexico principal meridian; southwest quarter section 25, south half of fractional section 26, all of fractional section 35, and all of section 36, township 9 south, range 12 east, New Mexico principal meridian; all of section 1, all of fractional section 2, all of fractional section 11, all of section 12, all of section 13, all of fractional section 14, north half of fractional section 23, and north half section 24, township 10 south, range 12 east, New Mexico principal meridian; having an area of approximately thirty-nine and three hundred and seventy-six one-thousandths square miles, shall confer on the locator the right to occupy and use only so much of the surface of the land covered by the location as may be reasonably necessary to carry on prospecting and mining, including the taking of mineral deposits and timber required by or in the mining operations, and no permit shall be required or charge made for such use or occupancy: *Provided, however,* That the cutting and removal of timber, except where clearing is necessary in connection with mining operations or to provide space for buildings or structures used in connection with mining operations, shall be conducted in accordance with the rules for timber cutting on adjoining national-forest land, and no use of the surface of the claim or the resources therefrom not reasonably required for carrying on mining and prospecting shall be allowed except under the national-forest rules and regulations, nor shall the locator prevent or obstruct other occupancy of the surface or use of surface resources under authority of national-forest regulations, or permits issued thereunder, if such occupancy or use is not in conflict with mineral development. (June 13, 1939, ch. 201, § 1, 53 Stat. 817.)

§ 482f. **Same; patents.**—Hereafter all patents issued under the United States mining laws affecting lands within the watershed of headwaters of the Bonito River in the Lincoln Forest, in the State of New Mexico, shall convey title to the mineral deposits within the claim, together with the right to cut and remove so much of the mature timber therefrom as may be needed in extracting and removing the mineral deposits, if the timber is removed in accordance with the rules for timber cutting on adjoining national-forest land, but each patent shall reserve to the United States all title in or to the surface of the lands and products thereof, and no use of the surface of the claim or the resources therefrom not reasonably required for carrying on mining or prospecting shall be allowed except under the rules and regulations of the Department of Agriculture. (June 13, 1939, ch. 201, § 2, 53 Stat. 818.)

§ 482g. **Same; perfection of claims.**—Valid mining claims within the watershed of the headwaters of the Bonito River in the Lincoln National Forest, within the State of New Mexico, as above described, existing on June 13, 1939, and thereafter maintained in compliance with the law under which they were initiated and the laws of the State of New Mexico, may be perfected under sections 482e and 482f of this title, or under the laws under which they were initiated, as the claimant may desire. (June 13, 1939, ch. 201, § 3, 53 Stat. 818.)

§ 482h. **Coronado National Forest; mining rights.**—Hereafter mining locations made under the mining laws of the United States upon lands within four hundred feet of the center line of the Catalina Highway, Coronado National Forest, Arizona, which highway begins at the south boundary of said national forest near the southeast corner of section 7, township 13 south, range 16 east, Gila and Salt River base and meridian, and runs in a general northerly direction for a distance of about twenty-five miles to Soldier Camp, shall confer on the locator no right to the surface of the land described in his location other than the right to occupy and use, under the rules and regulations relating to the administration of the Coronado National Forest, so much thereof as may be reasonably necessary to carry on prospecting and mining, and shall not authorize the taking of any resource other than the mineral deposits, or the occupancy of said land for any purpose other than prospecting and mining; and each patent issued thereafter under the United States mining laws upon a mineral location made upon lands within four hundred feet of said center line shall convey title only to the mineral deposits within said land and the right, subject to rules and regulations relating to the national forests, to occupy and use the surface of the land for prospecting and mining only: *Provided*, That valid mining claims within said lands existing on March 15, 1940, and thereafter maintained in compliance with the laws under which they were initiated and the laws of the State of Arizona may be perfected in accordance with the laws under which they were initiated. (Mar. 15, 1940, ch. 59, 54 Stat. 52.)

482i. **Plumas National Forest; offer of lands; additions; mining rights.**—Within the following-described areas any lands not

in Government ownership which are found by the Secretary of Agriculture to be chiefly valuable for national-forest purposes may be offered in exchange under the provisions of sections 485 and 486 of this title, upon notice as therein provided and upon acceptance of title, shall become parts of the Plumas National Forest; and any of such described areas in Government ownership found by the Secretaries of Agriculture and the Interior to be chiefly valuable for national-forest purposes and not now parts of any national forest may be added to said national forest as herein provided by proclamation of the President, subject to all valid claims and provisions of existing withdrawals: *Provided*, That any lands received in exchange under the provisions of this section shall be open to mineral locations, mineral development, and patent in accordance with the mining laws of the United States:

Township 18 north, range 7 east, Mount Diablo base and meridian, California: Sections 3, 4, 5, 9, 10, 11, 12, 13, 15, 22, 23, 26, and 27. (June 5, 1942, ch. 334, 56 Stat. 311.)

§ 483. Exchange of lands in national forests with persons who have relinquished lands as basis for lieu selection; procedure; relinquishment of original lands to such persons.—Where any person or persons in good faith relinquished to the United States lands in a national forest as a basis for a lieu selection under the Act of June 4, 1897, chapter 2, section 1, Thirtieth Statutes, page 36, and failed to get their lieu selections of record prior to the passage of the Act of March 3, 1905, chapter 1495, Thirty-third Statutes, page 1264, or whose lieu selections, though duly filed, are finally rejected, the Secretary of the Interior, with the approval of the Secretary of Agriculture, upon application of such person or persons, their heirs or assigns, is authorized to accept title to such of the base lands as are desirable for national-forest purposes, which lands shall thereupon become parts of the nearest national forest, and, in exchange therefor, may issue patent for not to exceed an equal value of national-forest land, unoccupied, surveyed, and nonmineral in character, or the Secretary of Agriculture may authorize the grantor to cut and remove an equal value of timber within the national forests of the same State. Where an exchange cannot be agreed upon the Commissioner of the General Land Office is hereby authorized to relinquish and quit claim to such person or persons, their heirs or assigns, all title to such lands which the respective relinquishments of such person or persons may have vested in the United States. Such person or persons, their heirs or assigns, shall, within five years after September 22 1922, make satisfactory proof of the relinquishment of such lands to the United States by submitting to the Commissioner of the General Land Office an abstract of title to such lands showing relinquishment of the same to the United States, which abstract or abstracts shall be retined in the files of the General Land Office. (Sept. 22, 1922, ch. 404, § 1, 42 Stat. 1017.)

§ 484. Same; selection of other lands in lieu of lands relinquished.—If it shall appear that any of the lands relinquished to the United States for the purpose stated in section 483 of this

title have been disposed of or appropriated to a public use, other than the general purposes for which the national forest within the bounds of which they are situate was created, such lands shall not be relinquished and quit-claimed as provided therein, unless the head of the department having jurisdiction over the lands shall consent to such relinquishment; and if he shall fail to so consent, or if any of the lands so relinquished have been otherwise disposed of by the United States, other surveyed, nonmineral, unoccupied, unreserved public lands of approximately equal area and value may be selected and patented in lieu of the lands so appropriated or disposed of in the manner and subject to the terms and conditions prescribed by said Act of June 4, 1897, chapter 2, section 1, Thirtieth Statutes, page 36, and the regulations issued thereunder. Applications to make such lieu selections must be filed in the General Land Office within three years after September 22, 1922. (Sept. 22, 1922, ch. 404, § 2, 42 Stat. 1017.)

§ 485. Exchange of lands in national forests; cutting timber in national forests in exchange for lands therein.—When the public interests will be benefited thereby, the Secretary of the Interior is authorized in his discretion to accept on behalf of the United States title to any lands within the exterior boundaries of the national forests which, in the opinion of the Secretary of Agriculture, are chiefly valuable for national-forest purposes, and in exchange therefor may patent not to exceed an equal value of such national-forest land, in the same State, surveyed and non-mineral in character, or the Secretary of Agriculture may authorize the grantor to cut and remove an equal value of timber within the national forests of the same State; the values in each case to be determined by the Secretary of Agriculture. Before any such exchange is effected notice of the contemplated exchange reciting the lands involved shall be published once each week for four successive weeks in some newspaper of general circulation in the county or counties in which may be situated the lands to be accepted, and in some like newspaper published in any county in which may be situated any lands or timber to be given in such exchange. Timber given in such exchanges shall be cut and removed under the laws and regulations relating to the national forests, and under the direction and supervision and in accordance with the requirements of the Secretary of Agriculture. Lands conveyed to the United States under this section shall, upon acceptance of title, become parts of the national forest within whose exterior boundaries they are located. (Mar. 20, 1922, ch. 105, § 1, 42 Stat. 465.)

EXCHANGE AND ACQUISITION OF ADDITIONAL LANDS

Act April 13, 1926, ch. 131, 44 Stat. 248, authorizes the exchange of lands within the Medicine Bow National Forest, Wyoming.

Act April 21, 1926, ch. 167, 44 Stat. 303, provides for the acquirement by United States of privately owned lands in New Mexico, within the Mora grant, and adjoining one or more national forests, and to exchange therefor land or timber in national forests in either New Mexico or Arizona, and requires that land thus acquired become part of the Carson National Forest or Santa Fe National Forest.

COLORADO LANDS

Act Dec. 23, 1944, ch. 722, 58 Stat. 924, authorized the extension of sections 485 and 486 of this title to include certain lands adjacent to Pike National Forest lying in Colorado, and provided that they should be subject to applicable rules and regulations of said national forest.

MINNESOTA

Act Dec. 7, 1942, ch. 691, 56 Stat. 1042 authorized the exchange of certain lands owned by Minnesota contiguous to or situated within the exterior boundaries of any National park, National forest, land-use project, or any Federal reservation, and required lands so acquired should become a part of the National park, National forest, land-use project, or other Federal reservation to which they were contiguous or within the exterior boundaries of which they were located, and that they should be subject to the rules and regulations applicable thereto.

§ 486. Exchange of lands in national forests; reservations of timber, minerals, or easements.—Either party to an exchange under section 485 of this title may make reservations of timber, minerals, or easements, the values of which shall be duly considered in determining the values of the exchanged lands. Where reservations are made in lands conveyed to the United States the right to enjoy them shall be subject to such reasonable conditions respecting ingress and egress and the use of the surface of the land as may be deemed necessary by the Secretary of Agriculture; where mineral reservations are made in lands conveyed by the United States it shall be so stipulated in the patents, and that any person who acquires the right to mine and remove the reserved deposits may enter and occupy so much of the surface as may be required for all purposes incident to the mining and removal of the minerals therefrom, and may mine and remove such minerals upon payment to the owner of the surface for damages caused to the land and improvements thereon. All property, rights, easements, and benefits authorized by this section to be retained by or reserved to owners of lands conveyed to the United States shall be subject to the tax laws of the States where such lands are located. (Mar. 20, 1922, ch. 105, § 2, as added Feb. 28, 1925, ch. 375, 43 Stat. 1090.)

APPLICATION EXTENDED

Act June 25, 1935, ch. 308, 49 Stat. 422, provided that this section should be extended and made applicable to exchanges of lands under the acts of Congress approved February 14, 1923, ch. 75, 42 Stat. 1245, and February 7, 1929, ch. 160, 45 Stat. 1154, which authorize the United States to acquire privately owned lands situated within certain townships in the Lincoln National Forests in the State of New Mexico, by exchanging therefor an equal value of unreserved and unappropriated public lands within said State.

§§ 486a-486w. Exchange of lands in specific enumerated national forests.

Exchanges of lands in or adjacent to national forests were authorized by Congress in the following instances:

Black Hills National Forest—June 15, 1938, ch. 388, 52 Stat. 686.

Black Hills National or Harney National Forest—Feb. 15, 1927, ch. 152, 44 Stat. 1099.

Cache National Forest—Feb. 25, 1932, ch. 57, 47 Stat. 55.

Carson, Manzano, or Santa Fe National Forests—Apr. 16, 1928, ch. 378, 45 Stat. 431.

Challis National Forest—Apr. 10, 1928, ch. 340, 45 Stat. 415.

- Challis and Sawtooth National Forests—Apr. 10, 1928, ch. 339, 45 Stat. 415.
- Chelan National Forest—Aug. 2, 1935, ch. 424, 49 Stat. 508.
- Columbia National Forest—Aug. 12, 1937, ch. 588, 50 Stat. 622.
- Colville National Forest—Mar. 4, 1927, ch. 493, 44 Stat. 1412.
- Crater National Forest—Apr. 23, 1928, ch. 414, 45 Stat. 450.
- Gunnison National Forest—Mar. 4, 1933, ch. 277, 47 Stat. 1569.
- Kaniksu National Forest—May 26, 1938, ch. 279, 52 Stat. 443; Aug. 10, 1939, ch. 661, §§ 1, 2, 53 Stat. 1347, 1350.
- Missoula National Forest—May 17, 1928, ch. 611, §§ 1, 2, 45 Stat. 598, 600; Mar. 1, 1929, ch. 425, §§ 1, 2, 45 Stat. 1426, 1427.
- Modoc National Forest—Mar. 4, 1933, ch. 272, 47 Stat. 1563.
- Modoc, Shasta, and Lassen National Forests—June 22, 1938, ch. 564, 52 Stat. 835.
- National forests in Montana—Jan. 30, 1929, ch. 122, 45 Stat. 1145.
- Ochoco National Forest—June 15, 1938, ch. 397, 52 Stat. 692; June 8, 1940, ch. 279, 54 Stat. 251.
- Plumas, Tahoe, and Lassen National Forests—June 22, 1938, ch. 566, 52 Stat. 838.
- Rio Grande National Forest—June 20, 1938, ch. 529, 52 Stat. 781.
- Shasta and Klamath National Forests—June 22, 1938, ch. 565, 52 Stat. 836.
- Siuslaw National Forest—June 30, 1932, ch. 328, 47 Stat. 451; Jan. 17, 1940, ch. 2, 54 Stat. 14; Nov. 25, 1940, ch. 915, 54 Stat. 1210.
- Tierra Amarillo Grant adjacent to Rio Grande or San Juan National Forests—June 29, 1940, ch. 454, 54 Stat. 695.
- Trinity National Forest—June 20, 1938, ch. 533, 52 Stat. 797.
- Umatilla or Whitman National Forests—June 19, 1936, ch. 603, 49 Stat. 1534.
- Wenatchee National Forest—Aug. 11, 1939, ch. 697, §§ 1, 2, 53 Stat. 1412.
- Whitman, Malheur or Umatilla National Forests—June 17, 1940, ch. 392, 54 Stat. 402.

§ 487. Cutting timber on land added to Siskiyou National Forest.—The Secretary of Agriculture is hereby authorized, in his discretion, to sell the merchantable timber on the land added to the Siskiyou National Forest by Act September 22, 1922, chapter 407, section 1, Forty-second Statutes 1019, in accordance with the regulations governing the sale of public timber in the national forests, and the entire proceeds of any sale of the timber on such land shall be deposited in the Treasury of the United States in a special fund designated as "The Oregon and California land-grant fund", referred to in the Act of Congress approved June 9, 1916, chapter 137, section 10, Thirty-ninth Statutes, page 222, and be disposed of in the manner therein designated, the land added forming part of the area which reverted in the United States under the provisions of the said Act. (Sept. 22, 1922, ch. 407, § 2, 42 Stat. 1019.)

§ 487a. Cutting timber on lands added to Rogue River National Forest.—When the Secretary of Agriculture finds that merchantable timber may be cut without detriment to the purity or depletion of the water supply from lands added to the Rogue River National Forest by Act of June 4, 1936, chapter 494, section 1, 49 Stat. 1460, title to which has been reverted in the United States under the Act of Congress approved June 9, 1916 (39 Stat. 218), said Secretary is hereby authorized to dispose of such merchantable timber on such lands in accordance with the rules and regulations of the Secretary of Agriculture for the national forests and the entire proceeds of any such sale shall be deposited in the Treasury of the United States in a special fund designated

"The Oregon and California Land Grant Fund", referred to in section 10 of the said Act of June 9, 1916, and be disposed of in the manner therein designated. (June 4, 1936, ch. 494, § 2, 49 Stat. 1461.)

§ 488. Establishment of exterior boundaries of national forests.—All standard, meander, township, and section lines of the public-land surveys shall be established under the direction and supervision of the Commissioner of the General Land Office, whether the lands to be surveyed are within or without reservations, except that where the exterior boundaries of national forests are required to be coincident with standard, township, or section lines, such boundaries may, if not previously established in the ordinary course of the public-land surveys, be established and marked under the supervision of the Director of the United States Geological Survey whenever necessary to complete the survey of such exterior boundaries. (Mar. 3, 1899, ch. 424, § 1, 30 Stat. 1097.)

§ 489. Sale of mature, dead, and down timber.—The Secretary of Agriculture, under such rules and regulations as he shall establish, is authorized and directed to sell at actual cost, to homestead settlers and farmers, for their domestic use, the mature, dead, and down timber in national forests, but it is not the intent of this provision to restrict the authority of the Secretary of Agriculture to permit the free use of timber as provided in section 477 of this title. (Aug. 10, 1912, ch. 284, 37 Stat. 287.)

CROSS REFERENCE

Contracts for sale of forest products, use of national-forest lands, etc., exempt from requirements of section 20 of Title 41, Public Contracts, where amount involved is less than \$300, see section 20a of Title 41, Public Contracts.

§ 490. Deposits from timber purchasers to defray cost of disposing of debris.—Deposits may be received from timber purchasers in such sums as the Secretary of Agriculture may require to cover the cost to the United States of disposing of brush and other debris resulting from cutting operations in sales of national forest timber; such deposits shall be covered into the Treasury and shall constitute a special fund, which is appropriated and made available until expended, as the Secretary of Agriculture may direct, to pay the cost of such work and to make refunds to the depositors of amounts deposited by them in excess of such cost. (Aug. 11, 1916, ch. 313, 39 Stat. 462.)

CROSS REFERENCE

Classification, appropriation and disbursement of trust funds on the books of the Government, see section 725s of Title 31, Money and Finance.

§ 491. Export of timber and other products.—The Secretary of Agriculture may, in his discretion, permit timber and other forest products cut or removed from the national forests to be exported from the State or Territory in which said forests are respectively situated. (Mar. 4, 1917, ch. 179, 39 Stat. 1145; May 11, 1922, ch. 185, 42 Stat. 519; Feb. 26, 1923, ch. 119, 42 Stat.

1302; June 5, 1924, ch. 266, 43 Stat. 443; Feb. 10, 1925, ch. 200, 43 Stat. 834; May 11, 1926, ch. 286, 44 Stat. 512.)

CROSS REFERENCE

Timber cut on any national forest or on public lands of Alaska to be exported, if, in the judgment of Secretary of Agriculture, the local supply of timber will not be endangered thereby, see section 616 of this title.

§ 492. Earth, stone, and timber for Navy, War Department, and Government works in Alaska.—Hereafter the Secretary of Agriculture, under regulations to be prescribed by him, is authorized to permit the Navy Department to take from the national forests such earth, stone, and timber for the use of the Navy as may be compatible with the administration of the national forests for the purposes for which they are established, and also in the same manner to permit the taking of earth, stone, and timber from the national forests for the construction of Government railways and other Government works in Alaska. He is authorized also to permit the War Department to take earth, stone, and timber from the national forests for use in the construction of river and harbor and other works in charge of that department, subject to such regulations and restrictions as he may prescribe. (Mar. 4, 1915, ch. 144, 38 Stat. 1100; Mar. 3, 1925, ch. 467, § 13, 43 Stat. 1197; May 29, 1928, ch. 901, § 1 (98), 45 Stat. 993.)

§ 493. Nebraska National Forest; trees from, for homestead settlers.—The Secretary of Agriculture, under such rules and regulations as he may prescribe, may furnish young trees, from the nurseries on the Nebraska National Forest, so far as they may be spared, to residents of the territory covered by section 224, paragraphs (a), (b), and (c) of Title 43, Public Lands. (May 11, 1922, ch. 185, 42 Stat. 520; Feb. 26, 1923, ch. 119, 42 Stat. 1304; June 5, 1924, ch. 266, 43 Stat. 445; Feb. 10, 1925, ch. 200, 43 Stat. 835; May 11, 1926, ch. 286, 44 Stat. 514.)

§ 494. Calaveras Big tree National Forest.—The Secretary of Agriculture, to secure and protect for all time the big trees scientifically known as *Sequoia washingtoniana*, is empowered, in his discretion, to obtain for the United States the complete title to any or all of the following-described lands in the State of California: In township 4 north, range 15 east, Mount Diablo meridian, the northeast quarter of section 1; in township 4 north, range 16 east, Mount Diablo meridian, the north half of section 6; in township 5 north, range 15 east, Mount Diablo meridian, the southwest quarter of section 14, south half of section 15, north half of section 22, northwest quarter of section 23, and southeast quarter of section 36, and in township 5 north, range 16 east, Mount Diablo meridian, the west half of section 28, the east half and southwest quarter of section 29, the southeast quarter of section 30, all of sections 31, 32, and the northwest quarter of section 33. And such area or areas, as fast as complete title is acquired, shall be permanently held by the United States and shall be known as Calaveras Bigtree National Forest and shall be administered, and protected, by the Secretary of Agriculture from the funds appropriated for the administration of National Forest land to prolong the existence, growth, and promote the

reproduction of said big trees. The owners of land acquired hereunder shall convey to the United States full title to any of the above-described areas approved for said national forest by the Secretary of Agriculture, the completeness of such title to be determined by the Secretary of the Interior in each case, and shall be reimbursed therefor only in one or both of the following ways: (1) They may be given the right to file with the Secretary of the Interior, within sixty days after such conveyance, selections of surveyed, unappropriated, nonmineral public lands or of nonmineral national forest lands, and if the lands so selected shall be found subject to selection and of the actual value in lands and stumpage conveyed they may be patented to said owners in lieu of the conveyed lands. In any case where any part of the lands selected is national forest land, the approval of the Secretary of Agriculture shall first be secured with respect to such part, or (2) the secretary of Agriculture may grant to any such conveying owner the right to cut from national forest land an amount of timber and wood substantially equal to the amount of timber and wood on the land acquired by the United States under the provisions of this section. (Feb. 18, 1909, ch. 143, 35 Stat. 626; May 7, 1912, ch. 105, § 1, 37 Stat. 108.)

§ 495. Leases of lands for sanitariums or hotels.—The Secretary of Agriculture is authorized, under such rules and regulations as he from time to time may make, to rent or lease to responsible persons or corporations applying therefor suitable spaces and portions of ground near, or adjacent to, mineral, medicinal, or other springs, within any national forest established within the United States, or hereafter to be established, and where the public is accustomed or desires to frequent, for health or pleasure, for the purpose of erecting upon such leased ground sanitariums or hotels, to be opened for the reception of the public. And he is further authorized to make such regulations, for the convenience of people visiting such springs, with reference to spaces and locations, for the erection of tents or temporary dwelling houses to be erected or constructed for the use of those visiting such springs for health or pleasure. And the Secretary of Agriculture is authorized to prescribe the terms and duration and the compensation to be paid for the privileges granted under the provisions of this section. (Feb. 28, 1899, ch. 221, § 1, 30 Stat. 908; Feb. 1, 1905, ch. 288, § 1, 33 Stat. 628.)

CROSS REFERENCES

Contracts for sale of forest products, use of national-forest lands, etc., exempt from requirements of section 20 of Title 41 where amount involved is less than \$300, see section 20a of Title 41, Public Contracts.

Use and occupation of lands in national forests for summer homes, hotels, stores, and other recreation facilities, see section 497 of this title.

§ 496. Same; disposition of funds from.—All funds arising from the privileges granted under section 495 of this title shall be covered into the Treasury of the United States as provided by law. (Feb. 28, 1899, ch. 221, § 2, 30 Stat. 908; Mar. 4, 1907, ch. 2907, 34 Stat. 1270.)

§ 497. Use and occupation of lands for summer homes; hotels, and stores.—The Secretary of Agriculture may, upon such terms

as he may deem proper, for periods not exceeding thirty years, permit responsible persons or associations to use and occupy suitable spaces or portions of grounds in the national forest for the construction of summer homes, hotels, stores, or other structures needed for recreation or public convenience, not exceeding five acres to any one person or association, but this shall not be construed to interfere with the right to enter homesteads upon agricultural lands in national forests as provided by law. (Mar. 4, 1915, ch. 144, 38 Stat. 1101.)

CROSS REFERENCE

Contracts for sale of forest products, use of national-forest lands, etc., exempt from requirements of section 20 of Title 41, Public Contracts, where amount involved is less than \$300, see section 20a of Title 41, Public Contracts.

§ 498. Disposal of moneys received; refund of excess.—All moneys received as contributions toward cooperative work in forest investigations, or the protection and improvement of the national forests, shall be covered into the Treasury and shall constitute a special fund, which is appropriated and made available until expended, as the Secretary of Agriculture may direct, for the payment of the expenses of said investigations, protection, or improvements by the Forest Service, and for refunds to the contributors of amounts heretofore or hereafter paid in by them in excess of their share of the cost of said investigations, protection, or improvements. (June 30, 1914, ch. 131, 38 Stat. 430; May 29, 1928, ch. 901, § 1 (99), 45 Stat. 993.)

CROSS REFERENCES

Classification as trust funds, appropriation and disbursement of funds appearing on the books of the Government as "Cooperative work, Forest Service", see section 725s (13) of Title 31, Money and Finance.

Contributions received toward reforestation or for administration or protection of lands within forests to be covered into Treasury and constitute a special fund which may be appropriated for purposes for which contributed. See section 572 of this title.

§ 499. Disposal of money received by or on account of Forest Service; refund of excess and moneys erroneously collected; receipts from permits.—All money received by or on account of the Forest Service for timber, or from any other source of national-forest revenue, including moneys received from sale of products from or for the use of lands in national forests created under section 471 (b) of this title, and moneys received on account of permits for hunting, fishing, or camping on lands acquired under authority of sections 513-517 and 521 of this title, shall be covered into the Treasury of the United States as a miscellaneous receipt, and except as provided in sections 500 and 501 of this title, there is appropriated and made available, as the Secretary of Agriculture may direct, out of any funds in the Treasury not otherwise appropriated, so much as may be necessary to make refunds to the depositors of money heretofore or hereafter deposited by them to secure the purchase price on the sale of any products or for the use of any land or resources of the national forests in excess of amounts found actually due from them to the United States and also so much as may be necessary to refund or

pay over to the rightful claimants such sums as may be found by the Secretary of Agriculture to have been erroneously collected for the use of any lands, or for timber or other resources sold from lands located within, but not a part of, the national forests, or for alleged illegal acts done upon such lands, which acts are subsequently found to have been proper and legal. (Mar. 4, 1907, ch. 2907, 34 Stat. 1270; Mar. 4, 1911, ch. 238, 36 Stat. 1253; Mar. 4, 1917, ch. 179, 39 Stat. 1149; June 7, 1924, ch. 348, § 9, 43 Stat. 655; May 29, 1928, ch. 901, § 1 (97), 45 Stat. 993.)

CROSS REFERENCES

Deposit in "Oregon and California land-grant fund" of proceeds of sale of timber added to Siskiyou National Forest, see section 487 of this title.

Repeal of appropriations for refund of moneys erroneously received and covered and authorization of appropriation of sums necessary, see section 725q (b) of Title 31, Money and Finance.

§ 500. Payment and evaluation of receipts to State for schools and roads.—Twenty-five per centum of all moneys received during any fiscal year from each national forest shall be paid, at the end of such year, by the Secretary of the Treasury to the State in which such national forest is situated, to be expended as the State legislature may prescribe for the benefit of the public schools and public roads of the county or counties in which such national forest is situated: *Provided*, That when any national forest is in more than one State or county the distributive share to each from the proceeds of such forest shall be proportionate to its area therein: *Provided, further*, That there shall not be paid to any State for any county an amount equal to more than 40 per centum of the total income of such county from all other sources. In sales of logs, ties, poles, posts, cordwood, pulpwood, and other forest products the amounts made available for schools and roads by this section shall be based upon the stumpage value of the timber. (May 23, 1908, ch. 192, 35 Stat. 260; Mar. 1, 1911, ch. 186, § 13, 36 Stat. 963; June 30, 1914, ch. 131, 38 Stat. 441; Sept. 21, 1944, ch. 412, title II, § 212, 58 Stat. 737.)

NOTE

The 40% proviso in this section is not applicable to payments made under the act of May 23, 1908.

CODIFICATION

This section was amended by the Department of Agriculture Organic Act of 1944.

§ 501. Expenditures from receipts for roads and trails; co-operation with State authorities; evaluation of receipts.—Ten per centum of all moneys received from the national forests during each fiscal year shall be available at the end thereof, to be expended by the Secretary of Agriculture for the construction and maintenance of roads and trails within the national forests in the States from which such proceeds are derived; but the Secretary of Agriculture may, whenever practicable, in the construction and maintenance of such roads, secure the cooperation or aid of the proper State or Territorial authorities in the furtherance of any system of highways of which such roads may be made a part. In sales of logs, ties, poles, posts, cordwood, pulp-

wood, and other forest products the amounts made available for schools and roads by this section shall be based upon the stumpage value of the timber. (Mar. 4, 1913, ch. 145, 37 Stat. 843; Sept. 21, 1944, ch. 412, title II, §212, 58 Stat. 737.)

CODIFICATION

This section was amended by the Department of Agriculture Organic Act of 1944.

§ 502. Rental of property for Forest Service; forage, care, and housing of animals; storage of vehicles and other equipment; loss, damage, or destruction of horses, vehicles and other equipment.—The Secretary of Agriculture is authorized, under such regulations as he may prescribe:

(a) To hire or rent property from employees of the Forest Service for the use of officers of that service other than use by the employee from whom hired or rented, whenever the public interest will be promoted thereby: *Provided*, That the aggregate amount to be paid permanent employees under authorization of this subsection, exclusive of obligations occasioned by fire emergencies, shall not exceed \$3,000 in any one year.

(b) To provide forage, care, and housing for animals, and storage for vehicles, and other equipment, obtained by the Forest Service for the use of that service from employees.

(c) To reimburse owners for loss, damage, or destruction of horses, vehicles, and other equipment obtained by the Forest Service for the use of that service from employees or other private owners: *Provided*, That payments or reimbursements herein authorized may be made from the applicable appropriations for the Forest Service: *And provided further*, That except for fire-fighting emergencies no reimbursement herein authorized shall be made in amount in excess of \$50 in any case unless supported by a written contract of hire or lease. (Mar. 4, 1913, ch. 145, 37 Stat. 843; Jan. 31, 1931, ch. 76, 46 Stat. 1052.)

§ 503. Appropriation for roads and trails; cooperation of States; aggregate expenditure.—There is appropriated and made available until expended, out of any moneys in the National Treasury not otherwise appropriated, the sum of \$1,000,000 for each fiscal year up to and including the fiscal year ending June 30, 1926, in all \$10,000,000, to be available until expended under the supervision of the Secretary of Agriculture, upon request from the proper officers of the State, Territory, or county for the survey, construction, and maintenance of roads and trails within or only partly within the national forests, when necessary for the use and development of resources upon which communities within and adjacent to the national forests are dependent. The State, Territory, or county shall enter into a cooperative agreement with the Secretary of Agriculture for the survey, construction, and maintenance of such roads or trails, upon a basis equitable to both the State, Territory, or county, and the United States. The aggregate expenditures in any State, Territory, or county shall not exceed ten per centum of the value, as determined by the Secretary of Agriculture, of the timber and forage resources which are or will be available for income upon the national forest

lands within the respective county or counties wherein the roads or trails will be constructed; and the Secretary of Agriculture shall make annual report to Congress of the amounts expended hereunder.

Immediately upon the execution of any cooperative agreement hereunder the Secretary of Agriculture shall notify the Secretary of the Treasury of the amount to be expended by the United States within or adjacent to any national forest thereunder, and each fiscal year the Secretary of the Treasury shall apply from any and all revenues from such forest 10 per centum thereof to reimburse the United States for expenditures made under such agreement until the whole amount advanced under such agreement shall have been returned from the receipts from such national forest. (July 11, 1916, ch. 241, § 8, 39 Stat. 358.)

CROSS REFERENCE

Application of appropriation to obligations created by any State or Territory, see section 45 of Title 23, Highways.

§ 503a. Same; purpose for which appropriation available.—The appropriations made for the purpose of carrying out the provisions of section 503 of this title, shall be considered available for the purpose of discharging the obligations created thereunder in any State or Territory: *Provided*, That the total expenditures on account of any State or Territory shall at no time exceed its authorized apportionment. (May 16, 1928, ch. 572, 45 Stat. 569; Feb. 16, 1929, ch. 227, 45 Stat. 1220.)

§ 504. Purchases of tree seeds, cones, and nursery stock for national forests.—The Secretary of Agriculture may procure tree seeds, cones, and nursery stock, for seeding and tree planting within national forests, and for experiments and investigations necessary for such seeding and tree planting, by open purchase, without advertisements for proposals, whenever in his discretion such method is most economical and in the public interest and when the cost thereof will not exceed \$500. (June 30, 1914, ch. 131, 38 Stat. 429.)

§ 505. Use of national forests established on land reserved for purposes of national defense; maintenance available.—Where a national forest is established under section 471 (b) of this title on land previously reserved for the Army or Navy for purposes of national defense the land shall remain subject to the unhampered use of the War or Navy Department for said purposes and nothing in this section or section 471 (b) of this title shall be construed to relinquish the authority over such lands for purposes of national defense now vested in the department for which the lands were formerly reserved. Any moneys available for the maintenance, improvement, protection, construction of highways and general administration of the national forests shall be available for expenditure on national forests created under such section. (June 7, 1924, ch. 348, § 9, 43 Stat. 655.)

§ 506. Agricultural lands opened to homestead entry.—The Secretary of Agriculture is authorized, in his discretion, upon application or otherwise, to examine and ascertain as to the location and extent of lands within permanent or temporary national forests except in the counties of San Luis Obispo and

Santa Barbara, in the State of California, which are chiefly valuable for agriculture, and which, in his opinion, may be occupied for agricultural purposes without injury to such national forests and which are not needed for public purposes, and may list and describe the same by metes and bounds, or otherwise, and file the lists and descriptions with the Secretary of the Interior, with the request that the said lands be opened to entry in accordance with the provisions of the homestead laws and sections 506-509 of this title.

Upon the filing of any such list or description the Secretary of the Interior shall declare the said lands open to homestead settlement and entry in tracts not exceeding one hundred and sixty acres in area and not exceeding one mile in length, at the expiration of sixty days from the filing of the list in the land office of the district within which the lands are located, during which period the said list or description shall be prominently posted in the land office and advertised for a period of not less than four weeks in one newspaper of general circulation published in the county in which the lands are situated. Any settler actually occupying and in good faith claiming such lands for agricultural purposes prior to January 1, 1906, and who shall not have abandoned the same, and the person, if qualified to make a homestead entry, upon whose application the land proposed to be entered was examined and listed, shall, each in the order named, have a preference right of settlement and entry. Any entryman desiring to obtain patent to any lands described by metes and bounds entered by him under the provisions of sections 506-509 of this title shall, within five years of the date of making settlement, file, with the required proof of residence and cultivation, a plat and field notes of the lands entered, made by or under the direction of the United States supervisor of surveys, showing accurately the boundaries of such lands, which shall be distinctly marked by monuments on the ground, and by posting a copy of such plat, together with a notice of the time and place of offering proof, in a conspicuous place on the land embraced in such plat during the period prescribed by law for the publication of his notice of intention to offer proof, and that a copy of such plat and field notes shall also be kept posted in the office of the register of the land office for the land district in which such lands are situated for a like period; and further, that any agricultural lands within forest reserves may, at the discretion of the Secretary, be surveyed by metes and bounds, and that no lands entered under the provisions of sections 506-509 of this title shall be patented under the commutation provisions of the homestead laws, but settlers, upon final proof, shall have credit for the period of their actual residence upon the lands covered by their entries. No land listed under the aforesaid sections shall pass from the forest until patent issues. (June 11, 1906, ch. 3074, § 1, 34 Stat. 233; May 30, 1908, ch. 233, 35 Stat. 554; Aug. 10, 1912, ch. 284, 37 Stat. 287; Mar. 3, 1925, ch. 462, 43 Stat. 1144.)

CROSS REFERENCES

Homestead entry denied in Custer National Forest, see section 510a of this title.

Lands added to Yellowstone National Park not subject to homestead entry, see section 40 of this title.

§ 507. Additional homestead right of entry to former settlers.—Settlers upon lands chiefly valuable for agriculture within national forests on January 1, 1906, who had on that date exercised or lost their homestead privilege, but were otherwise competent to enter lands under the homestead laws, are granted an additional homestead right of entry for the purposes of sections 506-509 of this title only, and such settlers must otherwise comply with the provisions of the homestead law, and in addition thereto must pay \$2.50 per acre for lands entered under the provisions of this section, such payment to be made at the time of making final proof on such lands. (June 11, 1906, ch. 3074, § 2, 34 Stat. 234.)

§ 508. Entries in Black Hills National Forest subject to mining laws and to appropriation of waters.—All entries under sections 506-509 of this title in the Black Hills National Forest shall be subject to the quartz or lode mining laws of the United States, and the laws and regulations permitting the location, appropriation, and use of the waters within the said national forest for mining, irrigation, and other purposes; and no titles acquired to agriculturual lands in said Black Hills National Forest under said sections shall vest in the patentee any riparian rights to any stream or streams of flowing water within said forest; and that such limitation of title shall be expressed in the patents for the lands covered by such entries. (June 11, 1906, ch. 3074; § 3, 34 Stat. 234.)

§ 508a. Black Hills National or Harney National Forest; exchange of lands.

Section, act Feb. 15, 1927, ch. 152, 44 Stat. 1099, is now covered by note under sections 486a-486w of this title.

§ 509. Future settlements on lands within reserves, and rights of former bona fide settlers.—Nothing contained within sections 506-509 of this title shall be held to authorize any future settlement on any lands within national forests until such lands have been opened to settlement as provided in said sections, or to in way impair the legal rights of any bona fide homestead settler who has or shall establish residence upon public lands prior to their inclusion within a national forest. (June 11, 1906, ch. 3074, § 5, 34 Stat. 234.)

§ 510. Right of homestead entry extended to certain lands.—The provisions of sections 506-509 of this title shall apply to all lands within the national forests in Lawrence and Pennington Counties in South Dakota. (Aug. 8, 1916, ch. 295, 39 Stat. 440.)

CROSS REFERENCE

Homestead entry rights denied to Custer National Forest, see section 510a of this title.

§ 510a. Right of homestead entry denied to certain lands; Custer National Forest.—From and after June 13, 1930, no applications may be accepted by the Secretary of Agriculture for the classification and listing of any land in the Custer National Forest for homestead entry under the provisions of section 506 of this

title, nor shall any lands be so classified for entry under the provisions of the Act of August 10, 1912 (Thirty-seventh Statutes, pages 269-287): *Provided, however*, That the Secretary of Agriculture may, in his discretion, list limited tracts when in his opinion such action will be in the public interest and will not be injurious to other settlers or users of the national forest. (June 13, 1930, ch. 481, 46 Stat. 583.)

§ 511. Reinstatement of entries canceled or relinquished.—All homestead entries which have been canceled or relinquished, or are invalid solely because of the erroneous allowance of such entries after the withdrawal of lands for national-forest purposes, may be reinstated or allowed to remain intact, but in the case of entries canceled prior to March 3, 1911, applications for reinstatement must have been filed in the proper local land office prior to July 1, 1912. (Mar. 3, 1911, ch. 225, § 1, 36 Stat. 1084.)

§ 512. Segregation of lands for homestead entry.—The Secretary of Agriculture is directed and required to select, classify, and segregate, as soon as practicable, all lands within the boundaries of national forests that may be opened to settlement and entry under the homestead laws applicable to the national forests. And after March 4, 1913, such surveys, and the plats and field notes thereof, shall be made by employees of the Forest Service, to be designated by the United States supervisor of surveys, and such surveys and the plats and field notes thereof shall be approved by the United States supervisor of surveys. (Mar. 4, 1913, ch. 145, 37 Stat. 842; Mar. 3, 1925, ch. 462, 43 Stat. 1144.)

§ 513. National Forest Reservation Commission; annual report to Congress.—The National Forest Reservation Commission shall consist of the Secretary of War, the Secretary of the Interior, the Secretary of Agriculture, and two Members of the Senate, to be selected by the President of the Senate and two Members of the House of Representatives, to be selected by the Speaker, and is authorized to consider and pass upon such lands as may be recommended for purchase as provided in section 515 of this title, and to fix the price or prices at which such lands may be purchased, and no purchases shall be made of any lands until such lands have been duly approved for purchase by said commission. The members of the commission shall serve as such only during their incumbency in their respective official positions, and any vacancy on the commission shall be filled in the manner as the original appointment. It shall report annually to Congress through its president, not later than the first Monday in December, its operations and expenditures in detail, during the preceding fiscal year. (Mar. 1, 1911, ch. 186, §§ 4, 5, 36 Stat. 962.)

§ 514. Appropriation for expense of commission; payments.—In lieu of the permanent appropriation, annual appropriations from the general fund of the Treasury of a sum sufficient to pay the necessary expenses of the commission and its members, not to exceed an annual expenditure of \$25,000, are authorized. Said appropriations shall be immediately available, and shall be paid out on the audit and order of the president of the said commission, which audit and order shall be conclusive and binding upon all departments as to the correctness of the accounts

of said commission. (Mar. 1, 1911, ch. 186, § 14, 36 Stat. 963; June 26, 1934, ch. 756, § 2, 48 Stat. 1225.)

REPEAL

Effective July 1, 1935, the permanent appropriation provided for in this section was repealed by act June 26, 1934, cited to text, such act authorizing, in lieu thereof an annual appropriation from the general fund of the Treasury. See section 725a (b) of Title 31, Money and Finance.

§ 515. Examination, location, and recommendation for purchase of forested, cut-over, or denuded lands, and report by Secretary of Agriculture.—The Secretary of Agriculture is authorized and directed to examine, locate, and recommend for purchase such forested, cut-over, or denuded lands within the watersheds of navigable streams as in his judgment may be necessary to the regulation of the flow of navigable streams or for the production of timber and to report to the National Forest Reservation Commission the results of such examination; but before any lands are purchased by the commission said lands shall be examined by the Secretary of Agriculture, in cooperation with the Director of the Geological Survey, and a report made by them to the commission showing that the control of such lands by the Federal Government will promote or protect the navigation of streams or by the Secretary of Agriculture showing that such control will promote the production of timber thereon. (Mar. 1, 1911, ch. 186, § 6, 36 Stat. 962; June 7, 1924, ch. 348, § 6, 43 Stat. 654.)

§ 516. Purchase of lands approved by commission; consent of State; exchange of lands; cutting and removing timber.—The Secretary of Agriculture is authorized to purchase, in the name of the United States, such lands as have been approved for purchase by the National Forest Reservation Commission at the price or prices fixed by said commission. No deed or other instrument of conveyance shall be accepted or approved by the Secretary of Agriculture under this section until the legislature of the State in which the land lies shall have consented to the acquisition of such land by the United States for the purpose of preserving the navigability of navigable streams. With the approval of the National Forest Reservation Commission as provided by this section and section 515 of this title, and when the public interests will be benefited thereby, the Secretary of Agriculture is authorized, in his discretion, to accept on behalf of the United States title to any lands within the exterior boundaries of national forests acquired under said sections which, in his opinion, are chiefly valuable for the purposes as therein stated, and in exchange therefor to convey by deed not to exceed an equal value of such national forest land in the same State, or he may authorize the grantor to cut and remove an equal value of timber within such national forests in the same State, the values in each case to be determined by him. Before any such exchange is effected notice of the contemplated exchange reciting the lands involved shall be published once each week for four successive weeks in some newspaper of general circulation in the county or counties in which may be situated the lands to be accepted, and in some like newspaper published in any county in which may be situated any lands or timber to be given in such exchange. Timber

given in such exchanges shall be cut and removed under the laws and regulations relating to such national forests, and under the direction and supervision and in accordance with the requirements of the Secretary of Agriculture. Lands so accepted by the Secretary of Agriculture shall, upon acceptance, become parts of the national forests within whose exterior boundaries they are located, and be subject to all the provisions of sections 480, 500, 513-519 and 521 of this title. (Mar. 1, 1911, ch. 186, § 7, 36 Stat. 962; Mar. 3, 1925, ch. 473, 43 Stat. 1215.)

§ 517. **Title to lands to be acquired.**—The Secretary of Agriculture may do all things necessary to secure the safe title in the United States to the lands to be acquired under sections 513-519 and 521 of this title, but no payment shall be made for any such lands until the title shall be satisfactory to the Attorney General and shall be vested in the United States. (Mar. 1, 1911, ch. 186, § 8, 36 Stat. 962.)

CROSS REFERENCE

Condemnation awards to be paid when Attorney General advises that proceedings and decree are regular, see section 517a of this title.

§ 517a. **Payment of awards in condemnation proceedings.**—In condemnation proceedings, heretofore or hereafter prosecuted, for the acquisition of lands under sections 513-519 and 521 of this title, in which a decree is entered vesting title thereto in the United States upon payment of the award into the registry of the court, the Secretary of Agriculture is authorized to make such payment when advised by the Attorney General that the proceedings and the decree are regular. (Mar. 1, 1911, ch. 186, § 8, 36 Stat. 962; Dec. 11, 1926, ch. 5, 44 Stat. 919.)

§ 518. **Acquisition of lands not defeated by rights-of-way, easements, and reservations.**—Such acquisition by the United States shall in no case be defeated because of located or defined rights of way, easements, and reservations, which, from their nature will, in the opinion of the National Forest Reservation Commission and the Secretary of Agriculture, in no manner interfere with the use of the lands so encumbered, for the purposes of sections 480, 500, 513-519, and 521 of this title. Such rights of way, easements, and reservations retained by the owner from whom the United States receives title, shall be subject to the rules and regulations prescribed by the Secretary of Agriculture for their occupation, use, operation, protection, and administration, and such rules and regulations shall be expressed in and made part of the written instrument conveying title to the lands to the United States; and the use, occupation, and operation of such rights of way, easements, and reservations shall be under, subject to, and in obedience with the rules and regulations so expressed. (Mar. 1, 1911, ch. 186, § 9, 36 Stat. 962; Mar. 4, 1913, ch. 145, 37 Stat. 855.)

§ 519. **Agricultural lands included in tracts acquired; sale for homesteads.**—Inasmuch as small areas of land chiefly valuable for agriculture may of necessity or by inadvertence be included in tracts acquired under this section and sections 513-518 of this title, the Secretary of Agriculture may, in his discretion, and

he is authorized, upon application or otherwise, to examine and ascertain the location and extent of such areas as in his opinion may be occupied for agricultural purposes without injury to the forests or to stream flow and which are not needed for public purposes, and may list and describe the same by metes and bounds, or otherwise, and offer them for sale as homesteads at their true value, to be fixed by him, to actual settlers, in tracts not exceeding eighty acres, in area, under such joint rules and regulations as the Secretary of Agriculture and the Secretary of the Interior may prescribe; and in case of such sale the jurisdiction over the lands sold shall, ipso facto, revert to the State in which the lands sold lie. And no right, title, interest, or claim in or to any lands acquired under said sections, or the waters thereon, or the products, resources, or use thereof after such lands shall have been so acquired, shall be initiated or perfected, except as in this section provided. (Mar. 1, 1911, ch. 186, § 10, 36 Stat. 962.)

§ 519a. **Transfer of forest reservation lands for military purposes.**—If any of the lands purchased or to be purchased by the United States under the provisions of sections 513-521 of this title, within the limits of townships 1, 2, and 3 north, ranges 9, 10, 11, 12, and 13, in Forrest and Perry Counties, States of Mississippi, are determined to be chiefly valuable and necessary for a National Guard encampment and related military purposes, the Secretary of Agriculture, with the consent and approval of the National Forest Reservation Commission established by section 513 of this title, may, and he hereby is, authorized to convey full title to said lands to the State of Mississippi or the War Department of the United States: *Provided*, That there is paid into the Treasury of the United States, or made available by transfer on the books of said Treasury, sums of money equal to the full amounts expended by the Department of Agriculture for the purchase of said lands, and the money so paid into or transferred on the books of the Treasury shall be available for expenditure by the Secretary of Agriculture for the purchase of other lands under the provisions of said sections 513-521. (Mar. 2, 1935, ch. 21, 49 Stat. 37.)

§ 520. **Regulations as to mineral resources.**—The Secretary of Agriculture is authorized, under general regulations to be prescribed by him, to permit the prospecting, development, and utilization of the mineral resources of the lands acquired under sections 513-519 of this title, upon such terms and for specified periods or otherwise, as he may deem to be for the best interests of the United States; and all moneys received on account of charges, if any, made under said sections shall be disposed of as is provided by existing law for the disposition of receipts from national forests. (Mar. 4, 1917, ch. 179, 39 Stat. 1150.)

§ 521. **Lands acquired to be reserved, held, and administered as national forest lands; designation.**—Subject to the provisions of section 519 of this title the lands acquired under sections 513-519 of this title shall be permanently reserved, held, and administered as national forest lands under the provisions of section 471 of this title and acts supplemental to and amendatory thereof. And the Secretary of Agriculture may from time to time divide the

lands acquired under the aforesaid sections into such specific national forests and so designate the same as he may deem best for administrative purposes. (Mar. 1, 1911, ch. 186, § 11, 36 Stat. 963.)

§ 522. Rights-of-ways for electrical plants.—The Secretary of Agriculture is authorized and empowered, under general regulations to be fixed by him, to permit the use of rights of way through the national forests for electrical plants, poles, and lines for the generation and distribution of electrical power, and for telephone and telegraph purposes, and for canals, ditches, pipes and pipe lines, flumes, tunnels, or other water conduits, and for water plants, dams, and reservoirs used to promote irrigation or mining or quarrying, or the manufacturing or cutting of timber or lumber, or the supplying of water for domestic, public, or any other beneficial uses to the extent of the ground occupied by such canals, ditches, flumes, tunnels, reservoirs, or other water conduits or water plants, or electrical or other works permitted hereunder, and not to exceed fifty feet on each side of the marginal limits thereof, or not to exceed fifty feet on each side of the center line of such pipes and pipe lines, electrical, telegraph, and telephone lines and poles, by any citizen, association, or corporation of the United States, where it is intended by such to exercise the use permitted hereunder for any one or more of the purposes herein named. Such permits shall be allowed within or through any national forest, only upon the approval of the chief officer of the department under whose supervision such national forest falls and upon a finding by him that the same is not incompatible with the public interest. All permits given hereunder for telegraph and telephone purposes shall be subject to the provision of sections 1-6 and 8 of Title 47 regulating rights of way for telegraph companies over the public domain. Any permission given by the Secretary of Agriculture under the provisions of this section may be revoked by him or his successor in his discretion, and shall not be held to confer any right, or easement, or interest in, to, or over any national forest. (Feb. 15, 1901, ch. 372, 31 Stat. 790.)

CROSS REFERENCES

Rights-of-way for poles and lines, see section 523 of this title.

Rights-of-way through public lands, provisions of sections 1, 2, and 3 of this title not to affect or modify this section, see section 4 of this title.

Rights-of-way to electric power companies, see section 957 of Title 43, Public Lands.

§ 523. Rights-of-way for electrical poles and lines.—The head of the department having jurisdiction over the lands is authorized and empowered, under general regulations to be fixed by him, to grant an easement for rights of way, for a period not exceeding fifty years from the date of the issuance of such grant, over, across, and upon the national forests of the United States for electrical poles and lines, for transmission and distribution of electrical power, and for poles and lines for telephone and telegraph purposes, to the extent of twenty feet on each side of the center line of such electrical, telephone, and telegraph lines and poles, to any citizen, association, or corporation of the United

States, where it is intended by such to exercise the right of way herein granted for any one or more of the purposes herein named. Such right-of-way shall be allowed within or through any national forest only upon the approval of the chief officer of the department under whose supervision or control such national forest falls, and upon a finding by him that the same is not incompatible with the public interest. All or any part of such right of way may be forfeited and annulled by declaration of the head of the department having jurisdiction over the lands for nonuse for a period of two years or for abandonment.

Any citizen, association, or corporation of the United States to whom there has been issued a permit prior to March 4, 1911, for any of the purposes specified herein under any law existing at that date, may obtain the benefit of this section upon the same terms and conditions as shall be required of citizens, associations, or corporations making application under the provisions of this section subsequent to said date. (Mar. 4, 1911, ch. 238, 36 Stat. 1253.)

§ 524. Rights-of-way for dams, reservoirs, or water plants for municipal, mining, and milling purposes.—Rights of way for the construction and maintenance of dams, reservoirs, water plants, ditches, flumes, pipes, tunnels, and canals, within and across the national forests of the United States, are granted to citizens and corporations of the United States for municipal or mining purposes, and for the purposes of the milling and reduction of ores, during the period of their beneficial use, under such rules and regulations as may be prescribed by the Secretary of the Interior, and subject to the laws of the State or Territory in which said forests are respectively situated. (Feb. 1, 1905, ch. 288, § 4, 33 Stat. 628.)

§ 525. Rights-of-way for wagon roads or railroads.—In the form provided by existing law the Secretary of the Interior may file and approve surveys and plats of any right of way for a wagon road, railroad, or other highway over and across any national forest when in his judgment the public interests will not be injuriously affected thereby. (Mar. 3, 1899, ch. 427, § 1, 30 Stat. 1233.)

CROSS REFERENCE

Laws affecting forest lands, except those which affect appropriating, entering, relinquishing, or patenting such lands, to be executed by Secretary of Agriculture, see section 472 of this title.

§ 526. Establishment and protection of water rights.—There are hereby authorized to be appropriated for expenditure by the Forest Service such sums as may be necessary for the investigation and establishment of water rights, including the purchase thereof or of lands or interests in lands or rights-of-way for use and protection of water rights necessary or beneficial in connection with the administration and public use of the national forests. (Sept. 21, 1944, ch. 412, title II, § 213, 58 Stat. 737.)

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

§ 527. Use of Forest Service funds for administration of certain lands.—The Forest Service may expend funds available for national forest protection and management for the administration of lands under contract for purchase or for the acquisition of which condemnation proceedings have been instituted under sections 471, 499, 505, 521, 564-570 of this title, and lands transferred to the Forest Service for administration. (Sept. 21, 1944, ch. 412, title II, § 211, 58 Stat. 737.)

FOREST PROTECTION; FOREST SERVICE; REFORESTATION

§ 551. Protection of national forests; rules and regulations.—The Secretary of Agriculture shall make provisions for the protection against destruction by fire and depredations upon the public forests and national forests which may have been set aside or which may be hereafter set aside under the provisions of section 471 of this title, and which may be continued; and he may make such rules and regulations and establish such service as will insure the objects of such reservations, namely, to regulate their occupancy and use and to preserve the forests thereon from destruction; and any violation of the provisions of sections 473-482 of this title or such rules and regulation shall be punished as is provided for in section 104 of title 18. (June 4, 1897, ch. 2, § 1, 30 Stat. 35; Feb. 1, 1905, ch. 288, § 1, 33 Stat. 628.)

§ 552. Consent to agreement by States for conservation of forests and water supply.—Consent of the Congress of the United States is given to each of the several States of the Union to enter into any agreement or compact, not in conflict with any law of the United States, with any other State or States for the purpose of conserving the forests and the water supply of the States entering into such agreement or compact. (Mar. 1, 1911, ch. 186, § 1, 36 Stat. 961.)

§ 552a. Reservation of forest lands for protection of municipal water supplies.—Whenever a municipality obtains its water supply from a national forest and has entered into a cooperative agreement with the Secretary of Agriculture for the protection of the watershed within the national forest from which the water is secured, the President of the United States may, and he is hereby, authorized, upon application by said municipality, and endorsed by the governing board of the county or counties in which the lands concerned are located and approved by the Secretaries of Agriculture and the Interior, to reserve and set aside from all forms of location, entry, or appropriation any national-forest lands, which are covered by such cooperative agreement, subject, however, to valid, existing rights and claims, and such reservation shall remain in force until revoked by the President or by an Act of Congress: *Provided*, That nothing herein shall affect the power of the Secretary of the Interior to withdraw and utilize withdrawn lands under the Federal reclamation laws: *And provided further*, That the President, upon recommendation of the Secretaries of the Interior and Agriculture, may, by Executive order, when in his judgment the public interest would best

be served thereby and after reasonable notice has been given through the Department of the Interior, restore any of the lands so withdrawn to appropriation under an applicable public-land law. (May 28, 1940, ch. 220, § 1, 54 Stat. 224.)

§ 552b. Same; administration of lands; rules and regulations.—Lands withdrawn under the provisions of sections 552a-552d of this title shall be administered by the Secretary of Agriculture under such agreements for the protection of the watershed as he may make with the municipality concerned, and the Secretary of Agriculture is hereby authorized, in addition to the rules and regulations adopted for the administration of the national forests, to adopt and prescribe such further rules and regulations as he considers necessary to effect the adequate protection of the watershed, including a rule or regulation forbidding persons other than forest officers and representatives of the municipality from going on the lands so reserved or making any use whatever thereof. (May 28, 1940, ch. 220, § 2, 54 Stat. 224.)

§ 552c. Same; reimbursement of United States for loss of revenue.—Whenever national-forest lands are withdrawn under sections 552a-552d of this title, and the municipality concerned objects to the utilization of the timber or other resources of lands withdrawn, and the Secretary of Agriculture agrees to withhold such resources from utilization, said municipality shall pay to the Forest Service annually an amount which the Secretary of Agriculture shall determine is necessary to reimburse the United States for the loss of net annual revenues which would be derived from the resources so withheld from disposition. (May 28, 1940, ch. 220, § 3, 54 Stat. 225.)

§ 552d. Same; punishment of violations of regulations.—Any violation of the regulations issued under sections 552a-552d of this title shall be punished as is provided in section 104 of Title 18. (May 28, 1940, ch. 220, § 4, 54 Stat. 225.)

§ 553. Duties of officials of Forest Service; stock laws; protection of fish and game.—Officials of the Forest Service designated by the Secretary of Agriculture shall, in all ways that are practicable, aid in the enforcement of the laws of the States or Territories with regard to stock, for the prevention and extinguishment of forest fires, and for the protection of fish and game, and with respect to national forests, shall aid the other Federal bureaus and departments on request from them, in the performance of the duties imposed on them by law. (May 23, 1908, ch. 192, 35 Stat. 259.)

TRANSFER OF FUNCTIONS

Functions of Secretary of Agriculture relating to conservation of wildlife, game, and migratory birds were transferred to Secretary of Interior by Reorg. Plan No. II, § 4 (f), eff. July 1, 1939, 4 Fed. Reg. 2731, 53 Stat. 1433, set out in note under section 133t of Title 5, Executive Departments and Government Officers and Employees.

§ 554. Forest supervisors and rangers.—Forest supervisors and rangers shall be selected, when practicable, from qualified citizens of the States or Territories in which the national forests, respectively, are situated. (Feb. 1, 1905, ch. 288, § 3, 33 Stat. 628.)

§ 554a. Employees to be appointed without regard to political affiliations.—Forest inspectors, superintendents, supervisors, surveyors, rangers, and fire patrol are to be hereafter appointed by the Secretary of Agriculture wholly with reference to their fitness and without regard for their political affiliations. (July 7, 1898, ch. 571, § 1, 30 Stat. 673; Feb. 1, 1905, ch. 288, § 1, 33 Stat. 628.)

TRANSFER OF FUNCTIONS

The forest preserves were transferred from Secretary of the Interior to Secretary of Agriculture by act February 1, 1905, cited to text.

§ 554b. Medical care for employees engaged in hazardous work.—Appropriations for the Forest Service shall be available for medical supplies and services and other assistance necessary for the immediate relief of artisans, laborers, and other employees engaged in any hazardous work under the Forest Service. (Sept. 21, 1944, ch. 412, title II, § 202, 58 Stat. 736.)

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

§ 554c. Care of employees' graves.—Appropriations for the Forest Service shall be available within such limitations as may be prescribed therein for the expenses of properly caring for the graves of persons who have lost their lives as a result of fighting fires while employed by the Forest Service. (Sept. 21, 1944, ch. 412, title II, § 206, 58 Stat. 736.)

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

§ 555. Forest headquarters and ranger stations.—Where no suitable Government land is available for national forest headquarters or ranger stations, the Secretary of Agriculture is authorized to purchase such lands out of any funds appropriated for building improvements on the national forests, but not more than \$2,500 shall be so expended in any one year; and to accept donations of land for any national forest purpose. (Mar. 3, 1925, ch. 457, § 5, 43 Stat. 1133.)

§ 556. Appropriations for Forest Service; use for transportation or traveling expenses; preparation or publication of newspaper or magazine articles.—No part of any funds appropriated for the Forest Service shall be used to pay the transportation or traveling expenses of any forest officer or agent except he be traveling on business directly connected with the Forest Service and in furtherance of the works, aims, and objects specified and authorized by law; nor shall any such funds be paid or used for the purpose of paying for, in whole or in part, the preparation or publication of any newspaper or magazine article, but this shall not prevent the giving out to all persons, without discrimination, including newspapers and magazine writers and publishers, of any facts or official information of value to the public. (May 11, 1922, ch. 185, 42 Stat. 521.)

§ 557. Employees of Forest Service; subsistence furnished to; personal equipment; supplies, and medical attention.—The Secretary of Agriculture is authorized to furnish subsistence to employees of the Forest Service, to purchase personal equipment and supplies for them, and to make deductions therefor from moneys appropriated for salary payments or otherwise due such employees. He is also authorized, in his discretion, to provide out of moneys appropriated for the general expenses of the Forest Service medical attention for employees of the Forest Service located at isolated situations, including the moving of such employees to hospitals or other places where medical assistance is available, and in case of death to remove the bodies of deceased employees to the nearest place where they can be prepared for shipment or for burial. (Mar. 3, 1925, ch. 457, §§ 4, 6, 43 Stat. 1133.)

§ 557a. Field season contracts; authority to make prior to appropriation.—The Secretary of Agriculture is hereafter authorized, in connection with the administration of the national forests, to enter into contracts for the procurement of services, materials, and supplies for the ensuing fiscal year, prior to the passage of an appropriation therefor: *Provided*, That such contracts shall aliquot the cost for such service by fiscal years and shall not be binding on the United States as to that part for the ensuing year unless and until an appropriation applicable to the payment thereof is made: *And provided further*, That all such contracts shall by their terms provide that the obligation of the United States is contingent upon the passage of an applicable appropriation and that no payment thereunder will be made until such appropriation becomes available for expenditure. (June 30, 1932, ch. 331, 47 Stat. 473.)

§ 558. Leaves of absence to employees of Forest Service in Alaska.—Employees of the Forest Service who are assigned to permanent duty in Alaska may, in the discretion of the Secretary of Agriculture, without additional expense to the Government, be granted leave of absence not to exceed thirty days in any one year, which leave may, in exceptional and meritorious cases, where such an employee is ill, be extended in the discretion of the Secretary of Agriculture, not to exceed thirty days additional in any one year. (Mar. 4, 1913, ch. 145, 37 Stat. 843.)

CROSS REFERENCES

Leave of absence of employee of Department of Agriculture in Alaska, see section 535 of Title 5, Executive Departments and Government Officers and Employees.

Reduction of annual leave of Government employees not to apply to employees in Alaska, see section 30a of Title 5, Executive Departments and Government Officers and Employees.

§ 559. Arrests for violations of laws and regulations by employees of Forest Service.—All persons employed in the Forest Service of the United States shall have authority to make arrests for the violation of the laws and regulations relating to the national forests and national parks, and any person so arrested shall be taken before the nearest United States commissioner, within whose jurisdiction the forest or national park is located, for trial;

and upon sworn information by any competent person any United States commissioner in the proper jurisdiction shall issue process for the arrest of any person charged with the violation of said laws and regulations; but nothing herein contained shall be construed as preventing the arrest by any officer of the United States, without process, of any person taken in the act of violating said laws and regulations. (Mar. 1905, ch. 1405, 33 Stat. 873.)

§ 559a. Reward for information leading to arrest and conviction for violating laws and regulations.—The Secretary of Agriculture may pay rewards from appropriations available for the protection and management of the national forests, under such regulations as he may prescribe, for information leading to the arrest and conviction for violation of the laws and regulations relating to fires in or near national forests, or for the unlawful taking of, or injury to, Government property. (Sept. 21, 1944, ch. 412, title II, § 201, 58 Stat. 736.)

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

§ 560. Use of timber for telephone lines for fire protection.—The Secretary of Agriculture, whenever he may deem it necessary for the protection of the national forests from fire, may permit the use of timber free of charge for the construction of telephone lines. (Mar. 4, 1913, ch. 145, 37 Stat. 843.)

§ 562. Forest experiment station in California.—In order to determine and demonstrate the best methods for the conservative management of forest and forest lands and the protection of timber and other forest products, the Secretary of Agriculture is authorized and directed (1) to establish and maintain, in cooperation with the State of California and with the surrounding States, a forest experimental station at such place or places as he may determine to be most suitable, and (2) to conduct, independently or in cooperation with other branches of the Federal Government, the States, universities, colleges, county and municipal agencies, business organizations, and individuals, such silvicultural, dendrological, forest fire, economic, and other experiments and investigations as may be necessary. (Mar. 3, 1925, ch. 424, § 1, 43 Stat. 1108.)

§ 562a. Forest experiment station in Ohio and Mississippi Valleys.—The Secretary of Agriculture is authorized to establish and maintain a forest experiment station in the States of the Ohio Valley and central Mississippi Valley, at such a place or places as may be selected by him, and he is hereby authorized and directed to conduct silvicultural, forest-fire, dendrological, and other experiments and investigations, independently or in cooperation with other branches of the Federal Government, and with States, universities, colleges, county and municipal agencies, associations, and individuals, to determine the best methods for the growing, management, and protection of timber crops on forest lands and farm wood lots. Such annual appropriations as may thereafter be necessary for its maintenance and operation are hereby authorized. (July 3, 1926, ch. 767, §§ 1, 2, 44 Stat. 838.)

CROSS REFERENCE

Enumeration of forest experiment stations authorized, see section 581a of this title.

§ 562b. Forest experiment station in Pennsylvania.—In order to determine and demonstrate the best methods for the growing, management, and protection of timber crops on forest lands and farm wood lots, the Secretary of Agriculture is hereby authorized and directed to establish and maintain a forest experiment station at such place or places as may be determined as most suitable by him, in cooperation with the State of Pennsylvania and with the neighboring States, and to conduct such silvicultural and other forest experiments and investigations as may be necessary, either independently or in cooperation with other organizations, institutions, or individuals, and to carry out the purposes of this section an appropriation in the amount of \$30,000 is hereby authorized. (July 3, 1926, ch. 770, 44 Stat. 840.)

CROSS REFERENCE

Enumeration of forest experiment stations authorized, see section 581a of this title.

§ 563. Cooperation with States for fire protection on private or State forest lands upon the watersheds of navigable rivers.—The Secretary of Agriculture is authorized, and on such conditions as he deems wise, to stipulate and agree with any State or group of States to cooperate in the organization and maintenance of a system of fire protection on any private or State forest lands within such State or States and situated upon the watershed of a navigable river. No such stipulation or agreement shall be made with any State which has not provided by law for a system of forest-fire protection. In no case shall the amount expended in any State exceed in any fiscal year the amount appropriated by that State for the same purpose during the same fiscal year. (Mar. 1, 1911, ch. 186, § 2, 36 Stat. 961.)

§ 564. Cooperation by Secretary of Agriculture with State officials as to recommendations of systems of forest fire prevention and suppression.—The Secretary of Agriculture is authorized and directed in cooperation with appropriate officials of the various States or other suitable agencies, to recommend for each forest region of the United States such systems of forest-fire prevention and suppression as will adequately protect the timbered and cut-over lands therein with a view to the protection of forest and water resources and the continuous production of timber on lands chiefly suitable therefor. (June 7, 1924, ch. 348, § 1, 43 Stat. 653.)

§ 565. Cooperation by Secretary of Agriculture with State officials in protection of timbered and forest-producing lands from fire; limitation on amount of expenditures by United States.—If the Secretary of Agriculture shall find that the system and practice of forest-fire prevention and suppression provided by any State substantially promotes the objects described in section 564 of this title, he is hereby authorized and directed, under such conditions as he may determine to be fair and equitable in each State, to cooperate with appropriate officials of each State, and through them with private and other agencies therein, in the protection of

timbered and forest-producing lands from fire. In no case other than for preliminary investigation shall the amount expended by the Federal Government in any State during any fiscal year, under this section, exceed the amount expended by the State for the same purpose during the same fiscal year, including the expenditures of forest owners or operators which are required by State law or which are made in pursuance of the forest-protection system of the State under State supervision, and the Secretary of Agriculture is authorized to make expenditures on the certificate of the State forester, the State director of extension, or similar State official having charge of the cooperative work for the State, that State and private expenditures as provided for in this section have been made. In the cooperation extended to the several States due consideration shall be given to the protection of watersheds of navigable streams, but such cooperation may, in the discretion of the Secretary of Agriculture, be extended to any timbered or forest-producing lands or watersheds from which water is secured for domestic use or irrigation within the cooperative States. *Provided*, That for each fiscal year during the existing emergency the Secretary of Agriculture may authorize expenditures not to exceed \$1,000,000 from appropriations made pursuant to sections 471, 515, 564, 565, 566, 567, 568, 569, and 570 of this title for preventing and suppressing forest fires on critical areas of national importance without requiring an equal expenditure by the State and private owners. (June 7, 1924, ch. 348, § 2, 43 Stat. 653; Mar. 3, 1925, ch. 447, 43 Stat. 1127; Apr. 13, 1926, ch. 119, 44 Stat. 242; Sept. 21, 1944, ch. 412, title II, § 207, 58 Stat. 736.)

CODIFICATION

This section was amended by the Department of Agriculture Organic Act of 1944.

§ 565a. Cooperation by Secretary of Agriculture with Territories.—The Secretary of Agriculture is authorized to cooperate with the Territories of the United States on the same terms and conditions as with States under sections 564 and 565 of this title. (Feb. 20, 1931, ch. 249, 46 Stat. 1200.)

§ 566. Expenditure by Secretary of Agriculture for study of effects of tax laws, and so forth, upon forest perpetuation, and so forth; appropriation.—The Secretary of Agriculture shall expend such portions of the appropriations authorized herein as he deems advisable to study the effects of tax laws, methods, and practices upon forest perpetuation, to cooperate with appropriate officials of the various States or other suitable agencies in such investigations and in devising tax laws designed to encourage the conservation and growing of timber, and to investigate and promote practical methods of insuring standing timber on growing forests from losses by fire. There is hereby authorized to be appropriated annually, out of any money in the Treasury not otherwise appropriated, not more than \$9,000,000 to enable the Secretary of Agriculture to carry out the provisions of this section and sections 564 and 565 of this title: *Provided*, That the appropriation under this authorization shall not exceed \$6,300,000 for the fiscal year ending June 30, 1945, \$7,300,000 for the fiscal year ending June 30,

1946, and \$8,300,000 for the fiscal year ending June 30, 1947. (June 7, 1924, ch. 348, § 3, 43 Stat. 653; May 5, 1944, ch. 189, 58 Stat. 216.)

§ 567. Cooperation by Secretary of Agriculture with States in procuring, and so forth, forest-tree seeds and plants; limitation on expenditure; appropriation.—The Secretary of Agriculture is authorized and directed to cooperate with the various States in the procurement, production, and distribution of forest-tree seeds and plants, for the purpose of establishing wind-breaks, shelter belts, and farm wood lots upon denuded or nonforested lands within such cooperating States, under such conditions and requirements as he may prescribe to the end that forest-tree seeds or plants so procured, produced, or distributed shall be used effectively for planting denuded or nonforested lands in the cooperating States and growing timber thereon. The amount expended by the Federal Government in cooperation with any State during any fiscal year for such purposes shall not exceed the amount expended by the State for the same purposes during the same fiscal year. There is authorized to be appropriated annually, out of any money in the Treasury not otherwise appropriated, not more than \$100,000, to enable the Secretary of Agriculture to carry out the provisions of this section. (June 7, 1924, ch. 348, § 4, 43 Stat. 654.)

CONTRIBUTIONS BY STATES, ETC.

Section 208 of act Sept. 21, 1944, ch. 412, title II, 58 Stat. 736 provided: "No part of any appropriation which is available for carrying out the Cooperative Farm Forestry Act (16 U. S. C. 568b) and sections 4 and 5 of the Clarke-McNary Act (16 U. S. C. 567, 568) shall be expended in any State or Territory unless the State or Territory, or local subdivision thereof, or individuals, or associations contribute a sum equal to that to be allotted therefrom by the Government or make contributions other than money deemed by the Secretary to be the value equivalent thereof."

APPROPRIATIONS AVAILABLE FOR 3 YEARS

Section 209 of act Sept. 21, 1944, ch. 412, title II, 58 Stat. 737 provided: "Appropriations for carrying out the Cooperative Farm Forestry Act (16 U. S. C. 568b) and sections 4 and 5 of the Clarke-McNary Act (16 U. S. C. 567-568) and Acts supplementary thereto allocated for the production or procurement of nursery stock by any Federal agency, or funds appropriated to any Federal agency for allocation to cooperating States for the production or procurement of nursery stock, shall remain available for expenditure for not more than three fiscal years."

§ 567a. Cooperation by Secretary of Agriculture with States in acquisition and administration of State forests.—For the purpose of stimulating the acquisition, development, and proper administration and management of State forests and of insuring coordinated effort by Federal and State agencies in carrying out a comprehensive national program of forest-land management, the Secretary of Agriculture is hereby authorized to enter into cooperative agreements with appropriate officials of any State or States for acquiring in the name of the United States, by purchase or otherwise, such forest lands within the cooperating State as in his judgment the State is adequately prepared to administer, develop, and manage as State forests in accordance with the provisions of this section and section 567b of this title and with such other terms not inconsistent therewith as he shall prescribe, such ac-

quisition to include the mapping, examination, appraisal, and surveying of such lands and the doing of all things necessary to perfect title thereto in the United States: *Provided*, That, since it is the declared policy of Congress to maintain and, where it is in the national interest to extend the national-forest system, nothing herein shall be construed to modify, limit, or change in any manner whatsoever the future ownership and administration by the United States of existing national forests and related facilities, or hereafter to restrict or prevent their extension through the acquisition by purchase or otherwise of additional lands for any national-forest purpose: *Provided further*, That this section and section 567b of this title shall not be construed to limit or repeal any legislation authorizing land exchanges by the Federal Government, and private lands acquired by exchange within the limits of any area subject to a cooperative agreement of the character herein authorized shall hereafter be subject to the provisions of this section and section 567b of this title. (Aug. 29, 1935, ch. 808, § 1, 49 Stat. 963.)

§ 567b. Conditions and requirements for cooperation in acquisition and management of State forests.—No cooperative agreement shall be entered into or continued in force under the authority of section 567a of this title or any land acquired under sections 567a-567c of this title turned over to the cooperating State for administration, development, and management unless the State concerned, as a consideration for the benefits extended to it thereunder, complies in a manner satisfactory to the Secretary of Agriculture with the following conditions and requirements which shall constitute a part of every such agreement:

(a) In order to reduce the need for public expenditures in the acquisition of lands which may be brought into public ownership through the enforcement of appropriate tax delinquency laws, and, by bringing about the handling of such lands upon a sound social and economic basis, to terminate a system of indeterminate and unsound ownership injurious to the private and public interest alike, no additional lands shall be acquired within any State by the United States under section 567a of this title after June 30, 1942, unless the State concerned has prior thereto provided by law for the reversion of title to the State or a political unit thereof of tax-delinquent lands and for blocking into State or other public forests the areas which are more suitable for public than private ownership, and which in the public interest should be devoted primarily to the production of timber crops and/or the maintenance of forests for watershed protection, and for the enforcement of such law: *Provided*, That in the administration of this section and sections 567a and 567c of this title prior to June 30, 1942, preference will be given to States applying for cooperation hereunder which provide by law for such reversion of title under tax delinquency laws.

(b) In order to insure a stable and efficient organization for the development and administration of the lands acquired under this section and sections 567a and 567c of this title, the State shall provide for the employment of a State forester, who shall be a trained forester of recognized standing.

(c) The Secretary of Agriculture and the appropriate authorities of each cooperating State shall work out a mutually satisfactory plan defining forest areas within the State which can be most effectively and economically administered by said State, which plan shall constitute a part of the cooperative agreement between the United States and the State concerned: *Provided*, That nothing herein shall be held to prevent the Secretary of Agriculture from later agreeing with the proper State authorities to desirable modifications in such plan.

(d) No payment of Federal funds shall be made for land selected for purchase by the United States under this section and sections 567a and 567c of this title until such proposed purchase has been submitted to and approved by the National Forest Reservation Commission created by section 513 of this title.

(e) Subject to the approval of the National Forest Reservation Commission, the Secretary of Agriculture is authorized to pay out of any available money appropriated for carrying out the purposes of this section and sections 567a and 567c of this title any State, county, and/or town taxes, exclusive of penalties, due or accrued on any forest lands acquired by the United States under donations from the owners thereof and which lands are to be included in a State or other public forest pursuant to this section and sections 567a and 567c of this title.

(f) The State shall prepare such standards of forest administration, development, and management as are necessary to insure maximum feasible utility for timber production and watershed protection, and are acceptable to the Secretary of Agriculture and shall apply the same to lands acquired and placed under the jurisdiction of the State pursuant to this section and sections 567a and 567c of this title.

(g) That with the exception of such Federal expenditures as may be made for unemployment relief, the State shall pay without assistance from the Federal Government the entire future cost of administering, developing, and managing all forest lands acquired and over which it has been given jurisdiction under this section and sections 567a and 567c of this title.

(h) During the period any cooperative agreement made under this section and sections 567a and 567c of this title remains in force, one-half of the gross proceeds from all lands covered by said agreement and to which the United States holds title shall be paid by the State to the United States and covered into the Treasury. All such payments shall be credited to the purchase price the State is to pay the United States for said land, such purchase price to be an amount equal to the total sum expended by the United States in acquiring said lands. Upon payments of the full purchase price, either as herein provided or otherwise, title to said lands shall be transferred from the Federal Government to the State, and the Secretary of Agriculture is authorized to take such action and incur such expenditures, as may be necessary to effectuate such transfer.

(i) Upon the request of the State concerned, any agreement made pursuant to this section and section 567a of this title may be terminated by the Secretary of Agriculture. The Secretary

of Agriculture may, with the consent and approval of the National Forest Reservation Commission, after due notice given the State and an opportunity for hearing by said Commission, terminate any such agreement for violations of its terms and/or the provisions of this section and section 567a of this title. If such agreement is terminated, the United States shall reimburse the State for so much of the State funds as have been expended in the administration, development, and management of the lands involved as the Secretary of Agriculture may decide to be fair and equitable.

(j) The State shall furnish the Secretary of Agriculture with such annual, periodic, or special reports as he may require respecting the State's operations under its agreement with him.

(k) When a State or political unit thereof acquires under tax delinquency laws title to forest lands without cost to the United States and which lands are included within a State or other public forest, the Secretary of Agriculture, on behalf of the Federal Government, may contribute annually out of any funds made available under section 567c of this title not to exceed one-half the cost of administering, developing, and managing said lands. (Aug. 29, 1935, ch. 808, § 2, 49 Stat. 963.)

§ 567c. Appropriation for cooperation in acquisition and management of State forests.—For the purposes of sections 567a and 567b of this title, there is hereby authorized to be appropriated, a sum or sums out of any money in the Treasury not otherwise appropriated, not to exceed \$5,000,000, as Congress may from time to time appropriate. (Aug. 29, 1935, ch. 808, § 3, 49 Stat. 965.)

§ 568. Cooperation by Secretary of Agriculture with States in establishing, and so forth, wood lots, shelter belts, windbreaks, and so forth; limitation on expenditure; appropriation.—The Secretary of Agriculture is authorized and directed, in cooperation with appropriate officials of the various States or, in his discretion, with other suitable agencies, to assist the owners of farms in establishing, improving, and renewing wood lots, shelter belts, windbreaks, and other valuable forest growth, and in growing and renewing useful timber crops. Except for preliminary investigations, the amount expended by the Federal Government under this section in cooperation with any State or other cooperating agency during any fiscal year shall not exceed the amount expended by the State or other cooperating agency for the same purpose during the same fiscal year. There is authorized to be appropriated annually out of any money in the Treasury not otherwise appropriated, not more than \$100,000 to enable the Secretary of Agriculture to carry out the provisions of this section. (June 7, 1924, ch. 348, § 5, 43 Stat. 654.)

§ 568a. Cooperation by Secretary of Agriculture with Territories and other possessions.—The Secretary of Agriculture is hereby authorized to cooperate with Territories and other possessions of the United States on the same terms and conditions as with States under sections 566, 567, and 568 of this title. (Apr. 13, 1926, ch. 134, 44 Stat. 250.)

§ 568b. Cooperation by Secretary of Agriculture in development of farm forestry in States and Territories.—In order to aid agriculture, increase farm-forest income, conserve water resources, increase employment, and in other ways advance the general welfare and improve living conditions on farms through reforestation and afforestation in the various States and Territories, the Secretary of Agriculture is authorized in cooperation with the land-grant colleges and universities and State forestry agencies, each within its respective field of activities, according to the statutes, if any, of the respective States, wherever such agencies can and will cooperate, or in default of such cooperation to act directly, to produce or procure and distribute forest trees and shrub planting stock; to make necessary investigations; to advise farmers regarding the establishment, protection, and management of farm forests and forest and shrub plantations and the harvesting, utilization, and marketing of the products thereof; and to enter into cooperative agreements for the establishment, protection, and care of farm- or other forest-land tree and shrub plantings within such States and Territories, and, whenever suitable Government-owned lands are not available, to lease, purchase, or accept donations of land and develop nursery sites for the production of such forest planting stock as is needed to effectuate the purposes of this section, but not including ornamental or other stock for landscape plantings commonly grown by established commercial nurserymen, and no stock grown in Government and cooperating nurseries shall be allowed to enter regular trade channels. No cooperative reforestation or afforestation shall be undertaken pursuant to this section unless the cooperator makes available without charge the land to be planted. There is hereby authorized to be appropriated annually not to exceed \$2,500,000 for carrying out the purposes of this section. This section shall be known as the Cooperative Farm Forestry Act. (May 18, 1937, ch. 226, 50 Stat. 188.)

§ 569. Donations to United States of lands for timber purposes.—To enable owners of lands chiefly valuable for the growing of timber crops or devise such lands to the United States in order to assure future timber supplies for the agricultural and other industries of the State or for other national purposes, the Secretary of Agriculture is authorized, in his discretion, to accept on behalf of the United States title to any such land so donated or devised, subject to such reservations by the donor of the present stand of merchantable timber or of mineral or other rights for a period not exceeding twenty years as the Secretary of Agriculture may find to be reasonable and not detrimental to the purposes of this section, and to pay out of any moneys appropriated for the general expenses of the Forest Service the cost of recording deeds or other expenses incident to the examination and acceptance of title. Any lands to which title is so accepted shall be in units of such size or so located as to be capable of economical administration as national forests either separately or jointly with other lands acquired under this section, or jointly with an existing national forest. All lands to which title is accepted under this section shall, upon acceptance of title, become national forest

lands, subject to all laws applicable to lands acquired under sections 513, 515, and 521 of this title. In the sale of timber from national forest lands acquired under this section preference shall be given to applicants who will furnish products desired therefrom to meet the necessities of citizens of the United States engaged in agriculture in the States in which such national forest is situated. All property, rights, easements, and benefits authorized by this section to be retained by or reserved to owners of lands donated or devised to the United States shall be subject to the tax laws of the States where such lands are located. (June 7, 1924, ch. 348, § 7, 43 Stat. 654.)

§ 570. Ascertainment by Secretary of Agriculture of public lands valuable for stream-flow protection and reports thereof.—The Secretary of Agriculture is authorized to ascertain and determine the location of public lands chiefly valuable for stream-flow protection or for timber production, which can be economically administered as parts of national forests, and to report his findings to the National Forest Reservation Commission established under section 513 of this title, and if the commission shall determine that the administration of said lands by the Federal Government will protect the flow of streams used for navigation or for irrigation, or will promote a future timber supply, the President shall lay the findings of the commission before the Congress of the United States. (June 7, 1924, ch. 348, § 8, 43 Stat. 655.)

§ 571. Buildings for national forest purposes; construction, and so forth.—In addition to buildings costing not to exceed \$1,500 each, the Secretary of Agriculture, out of any moneys appropriated for the improvement or protection of the national forests, may construct, improve, or purchase during each fiscal year three buildings for national forest purposes at not to exceed \$2,500 each, and three at not to exceed \$2,000 each. The cost of a water supply or sanitary system shall not be charged as a part of the cost of any building except those costing in excess of \$2,000 each, and no such water supply and sanitary system shall cost in excess of \$500. (Mar. 3, 1925, ch. 457, § 2, 43 Stat. 1132.)

CROSS REFERENCES

Cost of buildings under statute relating to investigations, experiments, and tests, see section 581 of this title.

Water supply and sanitary systems costing in excess of the \$500 limitation imposed by this section authorized, see section 573 of this title.

§ 571a. Same; maximum allowance on construction costs.—The cost of any building purchased, erected, or as improved, exclusive of the cost of constructing a water-supply or sanitary system and of connecting the same with any such building, and exclusive of the cost of any tower upon which a lookout house may be erected, shall not exceed \$7,500, with the exception that any building erected, purchased, or acquired, the cost of which was \$7,500 or more, may be improved out of the appropriations made under this Act [June 28, 1944, ch. 296, § 1, 58 Stat. 425] for the Forest Service by an amount not to exceed 2 per centum of the cost of such building as certified by the Secretary. (June

30, 1939, ch. 253, title I, § 1, 53 Stat. 954; June 25, 1940, ch. 421, § 1, 54 Stat. 545; July 1, 1941, ch. 267, § 1, 55 Stat. 421; July 22, 1942, ch. 516, § 1, 56 Stat. 679; July 12, 1943, ch. 215, § 1, 57 Stat. 411; June 28, 1944, ch. 296, § 1, 58 Stat. 442.)

§ 572. Special fund for payment of expenses of reforestation, administration, or protection of forests by Forest Service, and for refunds to contributors.—All moneys received as contributions towards reforestation or for the administration or protection of lands within or near the national forests shall be covered into the Treasury and shall constitute a special fund, which is authorized to be appropriated for the payment of the expenses of said reforestation, administration, or protection by the Forest Service, and for refunds to the contributors of amounts heretofore or hereafter paid in by or for them in excess of their share of the cost, but the United States shall not be liable for any damage incident to cooperation under sections 476, 555, 557, 571, 572 of this title. Mar. 3, 1925, ch. 457, § 1, 43 Stat. 1132.)

APPROPRIATIONS

Appropriation of all moneys received as contributions toward cooperative work under this section was made by acts January 18, 1927, ch. 39, 44 Stat. 991; March 26, 1934, ch. 89, 48 Stat. 483.

TRUST FUNDS

Classification as trust funds, appropriation and disbursement of funds appearing on books of Government as "Cooperative work, Forest Service," see section 725s of Title 31, Money and Finance.

§ 572a. Deposits from timber purchasers to defray cost of scaling services.—The Forest Service may accept money from timber purchasers for deposit into the Treasury in the trust account, "Forest Service cooperative fund", which moneys are hereby made available for scaling services requested by purchasers in addition to those required by the Forest Service, and for refunds of amounts deposited in excess of the cost of such work. (Sept. 21, 1944, ch. 412, title II, § 210, 58 Stat. 737.)

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

§ 573. Water supply and sanitary systems; appropriation.—The Secretary of Agriculture is authorized to expend not to exceed \$8,000 annually, out of any money appropriated for the improvement or protection of the national forests, for the fiscal year 1930 or for subsequent years, in the completion of water supply or sanitary systems costing in excess of the \$500 limitation as imposed by section 571 of this title. (May 27, 1930, ch. 337, § 1, 46 Stat. 387.)

§ 574. Damages caused private property in protection, administration, and improvement of national forests; reimbursement.—The Secretary of Agriculture is authorized to reimburse owners of private property for damage or destruction thereof caused by employees of the United States in connection with the protection, administration, or improvement of the national forests, payment

to be made from any funds appropriated for the protection, administration, and improvement of the national forests: *Provided*, That no payment in excess of \$500 shall be made on any such claim. (May 27, 1930, ch. 337, § 2, 46 Stat. 387.)

§ 575. Search for lost persons, and transportation of sick, injured, or dead persons, within national forests; authorization to incur expense.—The Secretary of Agriculture is authorized in cases of emergency to incur such expenses as may be necessary in searching for persons lost in the national forests and in transporting persons seriously ill, injured, or who die within the national forests to the nearest place where the sick or injured person, or the body, may be transferred to interested parties or local authorities. (May 27, 1930, ch. 337, § 3, 46 Stat. 387.)

§ 576. Reforestation; establishment of forest tree nurseries; tree planting; seed sowing and forest improvement work.—The Secretary of Agriculture is authorized to establish forest tree nurseries and do all other things needful in preparation for planting on national forests on the scale possible under the appropriations authorized by section 576a of this title: *Provided*, That nothing in this section shall be deemed to restrict the authority of the said Secretary under other authority of law. (June 9, 1930, ch. 416, § 1, 46 Stat. 527.)

§ 576a. Same; appropriations.—There is authorized to be appropriated for each fiscal year after year ending June 30, 1934, not to exceed \$400,000, to enable the Secretary of Agriculture to establish and operate nurseries, to collect or to purchase tree seed or young trees, to plant trees, and to do all other things necessary for reforestation by planting or seeding national forests and for the additional protection, care, and improvement of the resulting plantations or young growth. (June 9, 1930, ch. 416, § 2, 46 Stat. 527.)

§ 576b. Same; purchasers of national-forest timber; deposits of money in addition to payments for timber; use of deposits; seedlings and young trees for burned-over areas in national parks.—The Secretary of Agriculture may, when in his judgment such action will be in the public interest, require any purchaser of national-forest timber to make deposits of money in addition to the payments for the timber, to cover the cost to the United States of (1) planting (including the production or purchase of young trees), (2) sowing with tree seeds (including the collection or purchase of such seeds), or (3) cutting, destroying, or otherwise removing undesirable trees or other growth, on the national-forest land cut over by the purchaser, in order to improve the future stand of timber: *Provided*, That the total amount so required to be deposited by any purchaser shall not exceed, on an acreage basis, the average cost of planting (including the production or purchase of young trees) other comparable national-forest lands during the previous three years. Such deposits shall be covered into the Treasury and shall constitute a special fund, which is hereby appropriated and made available until expended, to cover the cost to the United States of such tree planting, seed sowing, and forest improvement work, as the Secretary of Agri-

culture may direct: *Provided*, That any portion of any deposit found to be in excess of the cost of doing said work shall, upon the determination that it is so in excess, be transferred to miscellaneous receipts, forest reserve fund, as a national-forest receipt of the fiscal year in which such transfer is made: *Provided further*, That the Secretary of Agriculture is authorized, upon application of the Secretary of the Interior, to furnish seedlings and/or young trees for replanting of burned-over areas in any national park. (June 9, 1930, ch. 416, § 3, 46 Stat. 527.)

CROSS REFERENCE

Classification, appropriation, and disbursement of trust funds, see section 725s of Title 31, Money and Finance.

§ 577. Public lands in northern Minnesota; withdrawal from entry and appropriation.—All public lands of the United States situated north of township 60 north in the Counties of Cook and Lake, State of Minnesota, including the natural shore lines of Lake Superior within such area; all public lands of the United States situated in that part of St. Louis County, State of Minnesota, lying north of a line beginning at the northeast corner of Township 63 north, Range 12 west, 4th P. M., thence westerly along the township line to the southwest corner of Township 64 north, Range 18 west, 4th P. M., thence northerly to the northwest corner of Township 65 north, Range 18 west, 4th P. M., thence westerly to the southwest corner, Township 66 north, Range 21 west, 4th P. M., thence northerly along the Township line to its intersection with the international boundary between the United States and the Dominion of Canada; all public lands of the United States on the shore lines of the lakes and streams forming the international boundary, so far as such lands lie within the areas heretofore described in this section; all public lands of the United States in that part of the Superior National Forest located in Townships 61 and 62, Ranges 12 and 13 west, 4th P. M.; and all public lands of the United States on the shore lines of Burntside Lake and Lake Varmilion, State of Minnesota, are hereby withdrawn from all forms of entry or appropriation under the public land laws of the United States, subject to prior existing legal rights initiated under the public land laws, so long as such claims are maintained as required by the applicable law or laws and subject to such permits and licenses as may be granted or issued by the Department of Agriculture under laws or regulations generally applicable to national forests. (July 10, 1930, ch. 881, § 1, 46 Stat. 1020.)

§ 577a. Same; conserving shore line beauty for recreational use; regulation of logging.—The principle of conserving the natural beauty of shore lines for recreational use shall apply to all Federal lands which border upon any boundary lake or stream contiguous to this area, or any other lake or stream within this area which is now or eventually to be in general use for boat or canoe travel, and that for the purpose of carrying out this principle logging of all such shores to a depth of four hundred feet from the natural water line is hereby forbidden, except as the Forest Service of the Department of Agriculture may see fit in

particular instances to vary the distance for practical reasons: *Provided*, That in no case shall logging of any timber other than diseased, insect infested, dying, or dead be permitted closer to the natural shore line than two hundred feet, except where necessary to open areas for banking grounds, landings, and other uses connected with logging operations. (July 10, 1930, ch. 881, § 2, 46 Stat. 1021.)

§ 577b. Same; preserving water level of lakes and streams; reservoirs; water power.—In order to preserve the shore lines, rapids, waterfalls, beaches, and other natural features of the region in an unmodified state of nature, no further alteration of the natural water level of any lake or stream within or bordering upon the designated area shall be authorized by any permit, license, lease, or other authorization granted by any official or commission of the United States, which will result in flooding lands of the United States within or immediately adjacent to the Superior National Forest, unless and until specific authority for granting such permit, license, lease, or other authorization shall have first been obtained by special Act from the Congress of the United States covering each such project: *Provided*, That nothing in this section shall be construed as interfering with the duties of the International Joint Commission created pursuant to the convention concerning the boundary waters between the United States and Canada and concluded between the United States and Great Britain on January 11, 1909, and action taken or to be taken in accordance with provisions of the convention, protocol, and agreement between the United States and Canada, which were signed at Washington on February 24, 1925, for the purpose of regulating the levels of the Lake of the Woods: *Provided*, That with the written approval and consent of the Forest Service of the Department of Agriculture, reservoirs not exceeding one hundred acres in area may be constructed and maintained for the transportation of logs or in connection with authorized recreational uses of national-forest lands, and maximum water levels not higher than the normal high-water mark may be maintained temporarily where essential strictly for logging purposes, in the streams between lakes by the construction and operation of small temporary dams: *Provided, however*, That nothing herein shall be construed to prevent the Secretary of Agriculture from listing for homestead entry under the provisions of section 506 of this title, any of the above-described lands found by him to be chiefly valuable for agriculture and not needed for public purposes: *Provided further*, That the provisions of this section shall not apply to any proposed development for water-power purposes for which an application for license was pending under the terms of sections 791-825r of this title on or before January 1, 1928. (July 10, 1930, ch. 881, § 3, 46 Stat. 1021.)

§ 578. Rental of Forest Service equipment to Federal agencies.—The Forest Service may rent equipment to other Federal agencies at rates sufficient to reimburse the appropriations of the Forest Service that would otherwise be chargeable with the cost of the repair, maintenance, and depreciation of such equipment.

(June 30, 1939, ch. 253, title I, 53 Stat. 955; June 25, 1940, ch. 421, § 1, 54 Stat. 546.)

§ 579. Purchase of improvements in lieu of construction.—Where, in the opinion of the Secretary, direct purchases will be more economical than construction, improvements may be purchased. (June 25, 1940, ch. 421, § 1, 54 Stat. 546; July 1, 1941, ch. 267, § 1, 55 Stat. 422; July 22, 1942, ch. 516, § 1, 56 Stat. 680; July 12, 1943, ch. 215, § 1, 57 Stat. 412; June 28, 1944, ch. 296, § 1, 58 Stat. 444.)

§ 579a. Operation of aerial fire control.—The Forest Service may provide for the maintenance and operation of aerial fire control by contract or otherwise, with authority to renew any contract for such purpose annually, not more than twice, without additional advertising. (Sept. 21, 1944, ch. 412, title II, § 205, 58 Stat. 736.)

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

§ 580. Use of Forest Service appropriations for repair, etc. of equipment; rental of fire control equipment to non-Federal agencies.—Appropriations for the work of the Forest Service available for the operation, repair, maintenance, and replacement of motor and other equipment may be reimbursed for use of such equipment on projects of the Forest Service chargeable to other appropriations, or on work of other Federal agencies, when requested by such agencies, reimbursed to be made from appropriations applicable to the work on which used at rental rates fixed by the Chief Forester based on the actual or estimated cost of operation, repair, maintenance, depreciation, and equipment management control, and credited to appropriations currently available at the time adjustment is effected. The Forest Service may also rent equipment for fire-control purposes to State, county, private, or other non-Federal agencies cooperating with the Forest Service in fire control under the terms of written cooperative agreements, the amount collected for such rental to be credited to appropriations currently available at the time payment is received. (Sept. 21, 1944, ch. 412, title II, § 204, 58 Stat. 736.)

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

§ 580a. Sale and distribution of supplies, equipment and materials to other Government activities and to cooperating State and private agencies; reimbursement.—The Forest Service may sell and distribute supplies, equipment, and materials to other Government activities and to State and private agencies who cooperate with the Forest Service in fire control under terms of written cooperative agreements, the cost of such supplies, equipment, and materials, including the cost of supervision, transportation, warehousing, and handling, to be reimbursed to appropriations current at the time additional supplies, equipment, and materials are procured for warehouse stocks. (Sept. 21, 1944, ch. 412, title II, § 203, 58 Stat. 736.)

CODIFICATION

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

INVESTIGATIONS, EXPERIMENTS, AND TESTS AFFECTING
REFORESTATION AND FOREST PRODUCTS

§ 581. Authorization of investigations, experiments, and tests; cooperation with State and other agencies; appropriations and contributions; buildings; existing laws as affected by sections 581a-581i.—The Secretary of Agriculture is hereby authorized and directed to conduct such investigations, experiments, and tests as he may deem necessary under sections 581a-581i of this title, in order to determine, demonstrate, and promulgate the best methods of reforestation and of growing, managing, and utilizing timber, forage, and other forest products, of maintaining favorable conditions of water flow and the prevention of erosion, of protecting timber and other forest growth from fire, insects, disease, or other harmful agencies, of obtaining the fullest and most effective use of forest lands, and to determine and promulgate the economic considerations which should underlie the establishment of sound policies for the management of forest land and the utilization of forest products: *Provided*, That in carrying out the provisions of sections 581-581i of this title the Secretary of Agriculture may cooperate with individuals and public and private agencies, organizations, and institutions, and, in connection with the collection, investigation, and tests of foreign woods, he may also cooperate with individuals and public and private agencies, organizations, and institutions in other countries; and receive money contributions from cooperators under such conditions as he may impose, such contributions to be covered into the Treasury as a special fund which is hereby appropriated and made available until expended as the Secretary of Agriculture may direct, for use in conducting the activities authorized by sections 581-581i of this title, and in making refunds to contributors: *Provided further*, That the cost of any building purchased, erected, or as improved in carrying out the purposes of sections 581-581i of this title shall not exceed \$2,500, exclusive in each instance of the cost of constructing a water supply or sanitary system and of connecting the same with any such building: *Provided further*, That the amounts specified in sections 581a-581g, and 581i of this title are authorized to be appropriated up to and including the fiscal year 1938, and such annual appropriations as may thereafter be necessary to carry out the provisions of said sections are hereby authorized: *Provided further*, That during any fiscal year the amounts specified in sections 581b-581d of this title making provision for investigations of forest tree and wood diseases, forest insects, and forest wild life, respectively, may be exceeded to provide adequate funds for special research required to meet any serious public emergency relating to epidemics: *And provided further*, That the provisions of sections 581-581i of this title shall be construed as supplementing all other Acts relating to the Department of Agriculture, and except as specifically pro-

vided shall not limit or repeal any existing legislation or authority. (May 22, 1928, ch. 678, § 1, 45 Stat. 699.)

TRANSFER OF FUNCTIONS

Functions of Secretary of Agriculture relating to conservation of wild-life, game, and migratory birds were transferred to Secretary of Interior by Reorg. Plan No. II, § 4 (f), eff. July 1, 1939, 4 Fed. Reg. 2731, 53 Stat. 1433, set out in note under section 133t of Title 5, Executive Departments and Government Officers and Employees.

CROSS REFERENCE

Classification as trust fund, appropriation and disbursement of fund appearing on books of Government as "Cooperative work, Forest Service," see section 725s of Title 31, Money and Finance.

§ 581a. Forest experiment stations; establishment; appropriation.—For conducting fire, silvicultural, and other forest investigations and experiments the Secretary of Agriculture is hereby authorized, in his discretion, to maintain the following forest experiment stations for the regions indicated, and in addition to establish and maintain one such station for the Intermountain region in Utah and adjoining States, one in Alaska, and one in the tropical possessions of the United States in the West Indies:

Northeastern forest experiment station, in New England, New York, and adjacent States;

Allegheny forest experiment station, in Pennsylvania, New Jersey, Delaware, Maryland, and in neighboring States;

Appalachian forest experiment station, in the southern Appalachian Mountains and adjacent forest regions;

Southern forest experiment station, in the Southern States;

Central States forest experiment station, in Ohio, Indiana, Illinois, Kentucky, Missouri, Iowa, and in adjacent States;

Lake States forest experiment station, in the Lake States and adjoining States;

California forest experiment station, in California and in adjoining States;

Northern Rocky Mountain forest experiment station, in Idaho, Montana, and adjoining States;

Northwestern forest experiment station, in Washington, Oregon, and adjoining States, and in Alaska;

Rocky Mountain forest experiment station, in Colorado, Wyoming, Nebraska, South Dakota, and in adjacent States; and

Southwestern forest experiment station, in Arizona, and New Mexico, and in adjacent States, and in addition to establish and maintain one such station for the Intermountain region of Utah and adjoining States, one for Alaska, one in Hawaii, and one in the tropical possessions of the United States in the West Indies, and one additional station in the Southern States.

There is hereby authorized to be appropriated annually out of any money in the Treasury not otherwise appropriated, not more than \$1,000,000 to carry out the provisions of this section.

The Secretary of Agriculture is further authorized to establish and maintain a forest experiment station in the Great Plains and prairie States, to be known as the "Great Plains Forest Experiment Station", and to acquire by purchase, condemnation, donation, or otherwise such real property or interest therein as in his

judgment is required for the use of said station, including the making of necessary expenditures in examining, appraising, and surveying any such property and in doing all things incident to perfecting title thereto in the United States. There is authorized to be appropriated annually such additional sums as may be required for the purposes of this paragraph. (May 22, 1928, ch. 678, § 2, 45 Stat. 700; June 15, 1936, ch. 553, 49 Stat. 1515.)

§ 581b. Diseases of forest trees and products; appropriation for investigations.—For investigations of the diseases of forest trees and of diseases causing decay and deterioration of wood and other forest products, and for developing methods for their prevention and control at forest experiment stations, the Forest Products Laboratory, or elsewhere, there is hereby authorized to be appropriated annually, out of any money in the Treasury not otherwise appropriated, not more than \$250,000. (May 22, 1928, ch. 678, § 3, 45 Stat. 701.)

§ 581c. Forest insects; appropriation for investigations.—For investigations of forests insects, including gypsy and browntail moths, injurious or beneficial to forest trees or to wood or other forest products, and for developing methods for preventing and controlling infestations, at forest experiment stations, the Forest Products Laboratory, or elsewhere, there is hereby authorized to be appropriated annually, out of any money in the Treasury not otherwise appropriated, not more than \$350,000. (May 22, 1928, ch. 678, § 4, 45 Stat. 701.)

§ 581d. Life histories and habits of forest animals, birds, and wildlife; appropriation for experiments and investigations.—For such experiments and investigations as may be necessary in determining the life histories and habits of forest animals, birds, and wildlife, whether injurious to forest growth or of value as supplemental resource, and in developing the best and most effective methods for their management and control at forest experiment stations, or elsewhere, there is hereby authorized to be appropriated annually, out of any money in the Treasury not otherwise appropriated, not more than \$150,000. (May 22, 1928, ch. 678, § 5, 45 Stat. 701.)

TRANSFER OF FUNCTIONS

Functions of Secretary of Agriculture relating to conservation of wildlife, game, and migratory birds were transferred to Secretary of Interior by Reorg. Plan No. II, § 4 (f), eff. July 1, 1939, 4 Fed. Reg. 2731, 53 Stat. 1433, set out in note under section 133t of Title 5, Executive Departments and Government Officers and Employees.

§ 581e. Relationship of weather conditions to forest fires; appropriation for investigations.—For such investigations at forest experiment stations, or elsewhere, of the relationship of weather conditions to forest fires as may be necessary to make weather forecasts, there is hereby authorized to be appropriated annually, out of any money in the Treasury not otherwise appropriated, not more than \$50,000. (May 22, 1928, ch. 678, § 6, 45 Stat. 701.)

§ 581f. Development of improved methods of management of forest ranges; appropriation for experiments and investigations.—For such experiments and investigations as may be necessary to

develop improved methods of management, consistent with the growing of timber and the protection of watersheds, of forest ranges and of other ranges adjacent to the national forests, at forest or range experiment stations, or elsewhere, there is hereby authorized to be appropriated annually, out of any money in the Treasury not otherwise appropriated, not more than \$275,000. (May 22, 1928, ch. 678, § 7, 45 Stat. 701.)

§ 581g. Physical and chemical properties of forest products; appropriation for experiments, investigations, and tests.—For experiments, investigations, and tests with respect to the physical and chemical properties and the utilization and preservation of wood and other forest products, including tests of wood and other fibrous material for pulp and paper making, and such other experiments, investigations, and tests as may be desirable, at the Forest Products Laboratory or elsewhere, there is hereby authorized to be appropriated annually, out of any money in the Treasury not otherwise appropriated, not more than \$1,000,000, and an additional appropriation of not more than \$50,000 annually for similar experiments, investigations, and tests of foreign woods and forest products important to the industries of the United States, including necessary field work in connection therewith. (May 22, 1928, ch. 678, § 8, 45 Stat. 701.)

§ 581h. Present and prospective requirements for forest products; comprehensive survey; cooperation of Secretary of Agriculture with State and other agencies; appropriation.—The Secretary of Agriculture is hereby authorized and directed, under such plans as he may determine to be fair and equitable, to cooperate with appropriate officials of each State of the United States, and either through them or directly with private and other agencies, in making and keeping current a comprehensive survey of the present and prospective requirements for timber and other forest products in the United States, and of timber supplies, including a determination of the present and potential productivity of forest land therein, and of such other facts as may be necessary in the determination of ways and means to balance the timber budget of the United States. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, not to exceed \$750,000 annually to complete the initial survey authorized by this section: *Provided*, That the total appropriation of Federal funds under this section to complete the initial survey shall not exceed \$6,500,000. There is additionally authorized to be appropriated not to exceed \$250,000 annually to keep the survey current. (May 22, 1928, ch. 678, § 9, 45 Stat. 702; May 31, 1944, ch. 217, 58 Stat. 265.)

§ 581i. Economic investigations of forest lands and forest products; costs and returns; appropriation.—For such investigations of costs and returns and the possibility of profitable reforestation under different conditions in the different forest regions, of the proper function of timber growing in diversified agriculture and in insuring the profitable use of marginal land, in mining, transportation, and in other industries, of the most effective distribution of forest products in the interest of both consumer and

timber grower, and for such other economic investigations of forests lands and forest products as may be necessary, there is hereby authorized to be appropriated annually, out of any money in the Treasury not otherwise appropriated, not more than \$250,000. (May 22, 1928, ch. 678, § 10, 45 Stat. 702.)

§ 582. **Puerto Rico; application of forest protection laws.**—The provisions of sections 515, 564, 565, and 569 of this title are herewith extended to the Territory of Puerto Rico, and the Secretary of Agriculture is hereby authorized to cooperate with the appropriate officials of Puerto Rico on the same terms and conditions as with the States: *Provided*, That not to exceed fifty thousand acres of land may be acquired in Puerto Rico under section 515 of this title. (Mar. 3, 1931, ch. 452, 46 Stat. 1516; May 17, 1932, ch. 190, 47 Stat. 158.)

SUSTAINED-YIELD FOREST MANAGEMENT

§ 583. **Establishment of sustained-yield units to stabilize forest industries, employment, communities and taxable wealth.**—In order to promote the stability of forest industries, of employment, of communities, and of taxable forest wealth, through continuous supplies of timber; in order to provide for a continuous and ample supply of forest products; and in order to secure the benefits of forests in maintenance of water supply, regulation of stream flow, prevention of soil erosion, amelioration of climate, and preservation of wildlife, the Secretary of Agriculture and the Secretary of the Interior are severally authorized to establish by formal declaration, when in their respective judgments such action would be in the public interest, cooperative sustained-yield units which shall consist of federally owned or administered forest land under the jurisdiction of the Secretary establishing the unit and, in addition thereto, land which reasonably may be expected to be made the subject of one or more of the cooperative agreements with private landowners authorized by section 583a of this title (Mar. 29, 1944, ch. 146, § 1, 58 Stat. 132.)

§ 583a. **Cooperative agreements with private owners; privileges of private owners; recordation of agreements.**—The Secretary of Agriculture, with respect to forest land under his jurisdiction, and the Secretary of the Interior, with respect to forest land under his jurisdiction, are severally authorized, for the purposes specified in section 583 of this title, to enter into cooperative agreements with private owners of forest land within a cooperative sustained-yield unit, established pursuant to section 583 of this title, providing for the coordinated management of such private forest land and of federally owned or administered forest lands within the sustained-yield unit involved.

Each cooperative agreement may give the cooperating private landowner the privilege of purchasing without competitive bidding at prices not less than their appraised value, subject to periodic readjustments of stumpage rates and to such other conditions and requirements as the Secretary may prescribe, timber and other forest products from federally owned or administered forest land within the unit, in accordance with the provisions of sustained-yield management plans formulated or approved by the

Secretary for the unit; shall limit the time, rate, and method of cutting or otherwise harvesting timber and other forest products from the land of the cooperating private landowner, due consideration being given to the character and condition of the timber, to the relation of the proposed cutting to the sustained-yield plan for the unit, and to the productive capacity of the land; shall prescribe the terms and conditions, but not the price, upon which the cooperating private landowner may sell to any person timber and other forest products from his land, compliance by the purchaser with such conditions to be required by the contract of sale; shall contain such provisions as the Secretary deems necessary to protect the reasonable interest of other owners of forest land within the unit; and shall contain such other provisions as the Secretary believes necessary to carry out the purposes of this subchapter.

Each cooperative agreement shall be placed on record in the county or counties in which the lands of the cooperating private landowner covered thereby are located, and the costs incident to such recordation may be paid out of any funds available for the protection or management of federally owned or administered forest land within the unit. When thus recorded, the agreement shall be binding upon the heirs, successors, and assigns of the owner of such land, and upon purchasers of timber or other forest products from such land, throughout the life of such cooperative agreement. (Mar. 29, 1944, ch. 146, § 2, 58 Stat. 132.)

§ 583b. Establishment of sustained-yield units to stabilize sale of timber and forest products.—The Secretary of Agriculture and the Secretary of the Interior are further severally authorized, whenever in their respective judgments the maintenance of a stable community or communities is primarily dependent upon the sale of timber or other forest products from federally owned or administered forest land and such maintenance cannot effectively be secured by following the usual procedure in selling such timber or other forest products, to establish by formal declaration for the purpose of maintaining the stability of such community or communities a sustained-yield unit consisting of forest land under the jurisdiction of the Secretary establishing such unit, to determine and define the boundaries of the community or communities for whose benefit such unit is created, and to sell, subject to such conditions and requirements as the Secretary believes necessary, federally owned or administered timber and other forest products from such unit without competitive bidding at prices not less than their appraised values, to responsible purchasers within such community or communities. (Mar. 29, 1944, ch. 146, § 3, 58 Stat. 133.)

§ 583c. Agreements between Secretaries of Agriculture and the Interior, or with other Federal agencies having jurisdiction over forest land.—Each of the said Secretaries is further authorized in his discretion to enter into cooperative agreements with the other Secretary, or with any Federal agency having jurisdiction over federally owned or administered forest land, or with any State or local agency having jurisdiction over publicly owned or admin-

istered forest land, providing for the inclusion of such land in any coordinated plan of management otherwise authorized by the provisions of this subchapter when by such a cooperative agreement he may be aided in accomplishing the purposes of this subchapter; but no federally or publicly owned or administered forest land nor under the jurisdiction of the Secretary establishing the sustained-yield unit concerned shall be included in any such plan except in pursuance of a cooperative agreement made under this section. (Mar. 29, 1944, ch. 146, § 4, 58 Stat. 133.)

§ 583d. Notice; registered mail and publication; costs; contents; request for hearing; time; determination and record available for inspection.—Before any sustained-yield unit authorized by section 583 or section 583b of this title shall be established, and before any cooperative agreement authorized by section 583a or section 583c of this title shall be entered into, advance notice thereof shall be given by registered mail to each landowner whose land is proposed to be included and by publication in one or more newspapers of general circulation in the vicinity of the place where the timber is located, and the costs incident to such publication may be paid out of any funds available for the protection or management of the federally owned or administered forest land involved. This notice shall state: (1) the location of the proposed unit; (2) the name of each proposed cooperator; (3) the duration of the proposed cooperative agreement or agreements; (4) the location and estimated quantity of timber on the land of each proposed cooperator and on the Federal land involved; (5) the expected rate of cutting of such timber; and (6) the time and place of a public hearing to be held not less than thirty days after the first publication of said notice for the presentation of the advantages and disadvantages of the proposed action to the community or communities affected.

Before any sale agreement made without competition and involving more than \$500 in stumpage value of federally owned or administered timber shall be entered into under this subchapter, advance notice thereof shall be given by publication once weekly for four consecutive weeks in one or more newspapers of general circulation in the vicinity of the place where the timber is located, and the costs incident to such publication may be paid out of any funds available for the protection or management of federally owned or administered forest land within the unit concerned. This notice shall state: (1) the quantity and appraised value of the timber; (2) the time and place of a public hearing to be held not less than thirty days after the first publication of said notice if requested by the State or county where the timber is located or by any other person deemed to have a reasonable interest in the proposed sale or in its terms; and (3) the place where any request for a public hearing shall be made. Such requests need be considered only if received at the place designated in the notice not later than fifteen days after the first publication of such notice. If a request for a hearing is received within the time designated, notice of the holding of the hearing shall be given not less than ten days before the time set for such hearing, in the same manner as provided for the original notice.

The determination made by the Secretary having jurisdiction upon the proposals considered at any such hearing, which determination may include the modification of the terms of such proposals, together with the minutes or other record of the hearing shall be available for public inspection during the life of any coordinated plan of management or agreement entered into in consequence of such determination. (Mar. 29, 1944, ch. 146, § 5, 58 Stat. 133.)

§ 583e. Remedies against private owners; jurisdiction; final orders; definition of owner.—In addition to any other remedy available under existing law, upon failure of any private owner of forest land which is subject to a cooperative agreement entered into pursuant to this subchapter to comply with the terms of such agreement, or upon failure of any purchaser of timber or other forest products from such land to comply with the terms and conditions required by such agreement to be included in the contract of sale, the Attorney General, at the request of the Secretary concerned, is authorized to institute against such owner or such purchaser a proceeding in equity in the proper district court of the United States, to require compliance with the terms and conditions of said cooperative agreement; and jurisdiction is hereby conferred upon said district courts to hear and determine such proceedings, to order compliance with the terms and conditions of cooperative agreements entered into pursuant to this subchapter, and to make such temporary and final orders as shall be deemed just in the premises. As used in this section the term "owner" shall include the heirs, successors, and assigns of the landowner entering into the cooperative agreements. (Mar. 29, 1944, ch. 146, § 6, 58 Stat. 134.)

§ 583f. Definition of federally owned or administered forest land.—Whenever used in this subchapter, the term "federally owned or administered forest land" shall be construed to mean forest land in which, or in the natural resources of which, the United States has a legal or equitable interest of any character sufficient to entitle the United States to control the management or disposition of the timber or other forest products thereon, except land heretofore or hereafter reserved or withdrawn for purposes which are inconsistent with the exercise of the authority conferred by this subchapter; and shall include trust or restricted Indian land, whether tribal or allotted, except that such land shall not be included without the consent of the Indians concerned. (Mar. 29, 1944, ch. 146, § 7, 58 Stat. 134.)

§ 583g. Rules and regulations; delegation of powers and duties.—The Secretary of Agriculture and the Secretary of the Interior may severally prescribe such rules and regulations as may be appropriate to carry out the purposes of this subchapter. Each Secretary may delegate any of his powers and duties under this subchapter to other officers or employees of his Department. (Mar. 29, 1944, ch. 146, § 8, 58 Stat. 134.)

DELEGATION OF DUTIES

Title 36, ch. II, § 221.30, 9 F. R. 5442, May 20, 1944, provided as follows:
"The Chief of the Forest Service is authorized with respect to forest lands

administered by the Forest Service to exercise all of the powers and duties conferred on the Secretary of Agriculture by this subchapter, and to delegate to other officers and employees of the Forest Service such of these powers and duties as he may consider desirable in carrying out the purposes of said subchapter."

§ 583h. Prior acts as affecting or affected by this subchapter.—Nothing contained in this subchapter shall be construed to abrogate or curtail any authority conferred upon the Secretary of Agriculture or the Secretary of the Interior by any Act relating to management of federally owned or administered forest lands, and nothing contained in any such Acts shall be construed to limit or restrict any authority conferred upon the Secretary of Agriculture or the Secretary of the Interior by this subchapter. (Mar. 29, 1944, ch. 146, § 9, 58 Stat. 134.)

§ 583i. Appropriation.—Funds available for the protection or management of federally owned or administered forest land within the unit concerned may also be expended in carrying out the purposes of this subchapter, and there are hereby authorized to be appropriated such additional sums for the purposes of this subchapter as the Congress may from time to time deem necessary, but such additional sums shall not exceed \$150,000 for the Department of Agriculture and \$50,000 for the Department of the Interior, for any fiscal year. (Mar. 29, 1944, ch. 146, § 10, 58 Stat. 135.)

SOIL CONSERVATION

§ 590a. Prevention of soil erosion; surveys and investigations; preventive measures; cooperation with agencies and persons; acquisition of land.—It is hereby recognized that the wastage of soil and moisture resources on farm, grazing, and forest lands of the Nation, resulting from soil erosion, is a menace to the national welfare and that it is hereby declared to be the policy of Congress to provide permanently for the control and prevention of soil erosion and thereby to preserve natural resources, control floods, prevent impairment of reservoirs, and maintain the navigability of rivers and harbors, protect public health, public lands and relieve unemployment, and the Secretary of Agriculture, from now on, shall coordinate and direct all activities with relation to soil erosion and in order to effectuate this policy is hereby authorized, from time to time—

(1) To conduct surveys, investigations, and research relating to the character of soil erosion and the preventive measures needed, to publish the results of any such surveys, investigations, or research, to disseminate information concerning such methods, and to conduct demonstrational projects in areas subject to erosion by wind or water;

(2) To carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land;

(3) To cooperate or enter into agreements with, or to furnish financial or other aid to, any agency, governmental or otherwise, or any person, subject to such conditions as he may deem necessary, for the purposes of sections 590a-590h, 590i, 590j-590q of this title; and

(4) To acquire lands, or rights or interests therein, by purchase, gift, condemnation, or otherwise, whenever necessary for the purposes of sections 590a-590h, 590i, 590j-590q of this title. (Apr. 27, 1935, ch. 85, § 1, 49 Stat. 163.)

TRANSFER OF FUNCTIONS

Functions of Soil Conservation Service in Department of Agriculture with respect to soil and moisture conservation operations conducted on lands under jurisdiction of Department of Interior were transferred to Department of Interior, to be administered under direction and supervision of Secretary of Interior through such agency or agencies in Department of Interior as Secretary shall designate by Reorg. Plan No. IV, § 6, eff. June 30, 1940, 5 Fed. Reg. 2421, 54 Stat. —, set out in note under section 133t of Title 5, Executive Departments and Government Officers and Employees.

Soil Conservation Service consolidated with other agencies into Agricultural Conservation and Adjustment Administration for duration of war, see Ex. Ord. No. 9069, set out in note under section 601 of Appendix to Title 50, War.

§ 590b. Lands on which preventive measures may be taken.—The acts authorized in section 590a (1) and (2) may be performed—

(a) On lands owned or controlled by the United States or any of its agencies, with the cooperation of the agency having jurisdiction thereof; and

(b) On any other lands, upon obtaining proper consent or the necessary rights or interests in such lands. (Apr. 27, 1935, ch. 85, § 2, 49 Stat. 163.)

§ 590c. Conditions under which benefits of law extended non-government controlled lands.—As a condition to the extending of any benefits under sections 590a-590h, 590i, 590j-590q of this title to any lands not owned or controlled by the United States or any of its agencies, the Secretary of Agriculture may, insofar as he may deem necessary for the purposes of sections 590a-590h, 590i, 590j-590q of this title, require—

(1) The enactment and reasonable safeguards for the enforcement of State and local laws imposing suitable permanent restrictions on the use of such lands and otherwise providing for the prevention of soil erosion;

(2) Agreements or covenants as to the permanent use of such lands; and

(3) Contributions in money, services, materials, or otherwise, to any operations conferring such benefits. (Apr. 27, 1935, ch. 85, § 3, 49 Stat. 163.)

TRANSFER OF FUNCTIONS

Functions respecting lands under jurisdiction of Department of Interior, see note under section 590a of this title.

§ 590d. Cooperation of governmental agencies; officers and employees, appointment and compensation; expenditures for personal services and supplies.—For the purposes of sections 590a-590h, 590i, 590j-590q of this title, the Secretary of Agriculture may—

(1) Secure the cooperation of any governmental agency;

(2) Subject to the provisions of the civil-service laws and sections 661-663, 664-673, 674 of Title 5, appoint and fix compensation of such officers and employees as he may deem necessary,

except for a period not to exceed eight months from the date of this enactment, the Secretary of Agriculture may make appointments and may continue employees of the organization heretofore established for the purpose of administering those provisions of sections 401-414 of Title 40 which relate to the prevention of soil erosion, without regard to the civil-service laws or regulations and sections 661-663, 664-673, 674 of Title 5; and any persons with technical or practical knowledge may be employed and compensated under sections 590a-590h, 590i, 590j-590q of this title on a basis to be determined by the Civil Service Commission; and

(3) Make expenditures for personal services and rent in the District of Columbia and elsewhere, for the purchase of law books and books of reference, for printing and binding, for the purchase, operation, and maintenance of passenger-carrying vehicles, and perform such acts, and prescribe such regulations, as he may deem proper to carry out the provisions of sections 590a-590h, 590i, 590j-590q of this title. (Apr. 27, 1935, ch. 85, § 4, 49 Stat. 164.)

TRANSFER OF FUNCTIONS

Transfer of functions respecting lands under jurisdiction of Department of Interior, see note under section 590a of this title.

§ 590e. Soil Conservation Service; establishment; utilization and transfer of existing governmental agencies.—The Secretary of Agriculture shall establish an agency to be known as the "Soil Conservation Service", to exercise the powers conferred on him by sections 590a-590h, 590i, 590j-590q of this title and may utilize the organization heretofore established for the purpose of administering those provisions of sections 402 and 403 of Title 40 which relate to the prevention of soil erosion, together with such personnel thereof as the Secretary of Agriculture may determine, and all unexpended balances of funds heretofore allotted to said organization shall be available until June 30, 1937, and the Secretary of Agriculture shall assume all obligations incurred by said organization prior to transfer to the Department of Agriculture. In order that there may be proper coordination of erosion-control activities the Secretary of Agriculture may transfer to the agency created under sections 590a-590h, 590i, 590j-590q of this title such functions, funds, personnel, and property of other agencies in the Department of Agriculture as he may from time to time determine. (Apr. 27, 1935, ch. 85, § 5, 49 Stat. 164.)

APPROPRIATION

A provision of the section cited to text, omitted as executed, made funds provided in H. J. Res. 117, Apr. 8, 1935, ch. 48, 49 Stat. 115, available for expenditure under this chapter.

§ 590e-1. Same; limitations on cost of construction, purchase, or improvement of buildings.—The cost to the Soil Conservation Service of any building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same with any such building, shall not exceed \$2,500 except where buildings are acquired in conjunction with land being purchased for other purposes and except for eight

buildings to be constructed at a cost not to exceed \$15,000 per building. (June 4, 1936, ch. 489, title I, 49 Stat. 1436; June 29, 1937, ch. 404, § 1, 50 Stat. 410; June 16, 1938, ch. 464, § 1, 52 Stat. 725; June 30, 1939, ch. 253, § 1, 53 Stat. 954; June 25, 1940, ch. 421, § 1, 54 Stat. 545; July 1, 1941, ch. 267, § 1, 55 Stat. 421; July 22, 1942, ch. 516, § 1, 56 Stat. 679; July 12, 1943, ch. 215, § 1, 57 Stat. 411; June 28, 1944, ch. 296, § 1, 58 Stat. 451.)

§ 590f. **Appropriation authorized.**—There are hereby authorized to be appropriated for the purposes of sections 590a-590h, 590i, 590j-590q, of this title such sums as Congress may from time to time determine to be necessary.

Appropriations for carrying out sections 590a-590e, 590f-590h, 590i, 590j-590q of this title allocated for the production or procurement of nursery stock by any Federal agency, or funds appropriated to any Federal agency for allocation to cooperating States for the production or procurement of nursery stock, shall remain available for expenditure for not more than three fiscal years. (Apr. 27, 1935, ch. 85, § 6, 49 Stat. 164; Sept. 21, 1944, ch. 412, title III, § 302 (a), 58 Stat. 738.)

CODIFICATION

This section was amended by the Department of Agriculture Organic Act of 1944.

§ 590g. **Additional policies and purposes of chapter.**—(a) **Purposes enumerated.**—It is hereby declared to be the policy of sections 590a-590h, 590i, 590j-590q, of this title also to secure, and the purposes of such sections shall also include, (1) preservation and improvement of soil fertility; (2) promotion of the economic use and conservation of land; (3) diminution of exploitation and wasteful and unscientific use of national soil resources; (4) the protection of rivers and harbors against the results of soil erosion in aid of maintaining the navigability of waters and water courses and in aid of flood control; and (5) reestablishment, at as rapid a rate as the Secretary of Agriculture determines to be practicable and in the general public interest, of the ratio between the purchasing power of the net income per person on farms and that of the income per person not on farms that prevailed during the five-year period August 1909-July 1914, inclusive, as determined from statistics available in the United States Department of Agriculture, and the maintenance of such ratio. The powers conferred under this section and sections 590h, 590i, 590j-590n, of this title shall be used to assist voluntary action calculated to effectuate the purposes specified in this section. Such powers shall not be used to discourage the production of supplies of foods and fibers sufficient to maintain normal domestic human consumption as determined by the Secretary from the records of domestic human consumption in the years 1920 to 1929, inclusive, taking into consideration increased population, quantities of any commodity that were forced into domestic consumption by decline in exports during such period, current trends in domestic consumption and exports of particular commodities, and the quantities of substitutes available for domestic consumption within any general class of food commodities. In carrying out

the purposes of this section due regard shall be given to the maintenance of a continuous and stable supply of agricultural commodities adequate to meet consumer demand at prices fair to both producers and consumers.

(b) Cooperation with States; grants.—The Secretary of Agriculture shall cooperate with States, in the execution of State plans to effectuate the purposes of this section, by making grants under this section to enable them to carry out such plans.

(c) State plans.—Any State which submits to the Secretary, prior to such time and in such manner and form as the Secretary prescribes, a State plan to effectuate the purposes of this section shall be entitled to payments, as provided in this section, for the year to which such plan is applicable, if such plan is approved by the Secretary as provided in this section.

(d) Conditions of plans.—No such plan shall be approved unless by its terms: (1) It provides that the agency to administer the plan shall be such State agency as may be designated by the Secretary if such agency is authorized by the State, or such other State agency as is authorized by the State and approved by the Secretary.

(2) It provides for such methods of administration, and such participation in the administration of the plan by county and community committees or associations of agricultural producers organized for such purpose, as the Secretary finds necessary for the effective administration of the plan; and

(3) It provides for the submission to the Secretary of such reports as he finds necessary to ascertain whether the plan is being carried out according to its terms, and for compliance with such requirements as the Secretary may prescribe to assure the correctness of and make possible the verifications of such reports.

(e) Approval of plans.—Such plan shall be approved if the Secretary finds that there is a reasonable prospect that—

(1) Substantial accomplishment in effectuating the purposes of this section will be brought about through the operation of such plan and the plans submitted by other States, and

(2) The operation of such plan will result in as substantial a furtherance of such accomplishment as may reasonably be achieved through the action of such State.

(f) Allocation of funds.—Upon approval of any State plan for any year the Secretary shall allocate to such State such sum (not in excess of the maximum amount fixed in pursuance of subsection (g) for such State for such year) as he finds necessary to carry out such plan for such year, and thereupon shall certify to the Secretary of the Treasury for payment to such agency of the State as the Secretary of Agriculture certifies is designated in the plan, and the Secretary of the Treasury shall pay to such agency, one-fourth of the amount so allocated. The remainder of the amount so allocated shall be similarly certified and paid in such installments (payable prior to the end of the calendar year) as may be provided in the plan. No such installment shall be certified for payment if the Secretary of Agriculture finds that, prior to the due date of such installment, there has been a substantial failure by the State to carry out the plan

according to its terms, or that the further operation of the plan according to its terms will not tend to effectuate the purposes of this section. No amount shall be certified for payment under any such installment in excess of the amount the Secretary finds necessary for the effective carrying out of the plan during the period to which the installment relates.

(g) Apportionment of funds.—On or before November 1 of each year, the Secretary shall apportion among the several States the funds which will be available for carrying out State plans during the next calendar year, and in determining the amount to be apportioned to each State, the Secretary shall take into consideration the acreage and value of the major soil depleting and major export crops produced in the respective States during a representative period and the acreage and productivity of land devoted to agricultural production (including dairy products) in the respective States during a representative period: *Provided, however,* That any such apportionment of funds available for carrying out State plans during any year prior to 1942 may be made at any time prior to or during the year to which such plans relate notwithstanding the making of an apportionment to any State for any calendar year, the funds apportioned to any State for which no plan has been approved for such year, and any amount apportioned to any State which is not required to carry out an approved plan for such State for such year, shall be available for carrying out the provisions of this section and sections 590h, 590i, 590j-590n of this title. (Apr. 27, 1935, ch. 85, § 7, as added Feb. 29, 1936, ch. 104, § 1, 49 Stat. 1148, and amended June 28, 1937, ch. 395, § 1, 50 Stat. 329.)

TRANSFER OF FUNCTIONS

Functions respecting lands under jurisdiction of Department of Interior, see note under section 590a of this title.

§ 590h. Payments and grants of aid.—(a) **Duration of authority of Secretary of Agriculture.**—In order to carry out the purposes specified in section 590g (a) of this title during the period necessary to afford a reasonable opportunity for legislative action by a sufficient number of States to assure the effectuation of such purposes by State action and in order to promote the more effective accomplishment of such purposes by State action thereafter, the Secretary shall exercise the powers conferred in this section during the period prior to January 1, 1947, except with respect to farming operations commenced in any State after the effective date of a State plan for such State approved pursuant to section 590g of this title. No such powers shall be exercised after December 31, 1946, except with respect to payments or grants in connection with farming operations carried out prior to January 1, 1947.

(b) **Payments and grants of aid; local, county, State committees; rules and regulations.**—Subject to the limitations provided in subsection (a) of this section, the Secretary shall have power to carry out the purposes specified in clauses (1), (2), (3), (4), and (5) of section 590 g (a) of this title by making payments or grants of other aid to agricultural producers, including tenants

and sharecroopers, in amounts determined by the Secretary to be fair and reasonable in connection with the effectuation of such purposes during the year with respect to which such payments or grants are made, and measured by (1) their treatment or use of their land, or a part thereof, for soil restoration, soil conservation, or the prevention of erosion; (2) changes in the use of their land; (3) their equitable share, as determined by the Secretary, of the normal national production of any commodity or commodities required for domestic consumption; or (4) their equitable share, as determined by the Secretary, of the national production of any commodity or commodities required for domestic consumption and exports adjusted to reflect the extent to which their utilization of cropland on the farm conforms to farming practices which the Secretary determines will best effectuate the purposes specified in section 590g (a) of this title; or (5) any combination of the above. In arid or semiarid sections, (1) and (2) above shall be construed to cover water conservation and the beneficial use of water on individual farms, including measures to prevent runoff the building of check dams and ponds, and providing facilities for applying water to the land. In determining the amount of any payment or grant measured by (1) or (2) the Secretary shall take into consideration the productivity of the land affected by the farming practices adopted during the year with respect to which such payment is made. In carrying out the provisions of this section in the continental United States, the Secretary is directed to utilize the services of local and State committees selected as hereinafter provided. The Secretary shall designate local administrative areas as units for administration of programs under this section. No such local area shall include more than one county or parts of different counties. Farmers within any such local administrative area, and participating or cooperating in programs administered within such area, shall elect annually from among their number a local committee of not more than three members for such area and shall also elect annually from among their number a delegate to a county convention for the election of a county committee. The delegates from the various local areas in the county shall, in a county convention, elect, annually, the county committee for the county which shall consist of three members who are farmers in the county. The local committee shall select a secretary and may utilize the county agricultural extension agent for such purpose. The county committee shall select a secretary who may be the county agricultural extension agent. If such county agricultural extension agent shall not have been elected secretary of such committee, he shall be ex officio a member of the county committee. The county agricultural extension agent shall not have the power to vote. In any county in which there is only one local committee the local committee shall also be the county committee. In each State there shall be a State committee for the State composed of not less than three or more than five farmers who are legal residents of the State and who are appointed by the Secretary. The State director of the Agricultural Extension Service shall be ex officio a member of such

State committee. The ex officio members of the county and State committees shall be in addition to the number of members of such committees hereinbefore specified. The Secretary shall make such regulations as are necessary relating to the selection and exercise of the functions of the respective committees, and to the administration, through such committees, of such programs. In carrying out the provisions of this section, the Secretary shall, as far as practicable, protect the interests of tenants and sharecroppers; is authorized to utilize the agricultural extension service and other approved agencies; shall accord such recognition and encouragement to producer-owned and producer-controlled cooperative associations as will be in harmony with the policy toward cooperative associations set forth in existing Acts of Congress and as will tend to promote efficient methods of marketing and distribution; shall not have power to acquire any land or any right or interest therein; shall, in every practicable manner, protect the interests of small producers; and shall in every practical way encourage and provide for soil-conserving and soil-rebuilding practices rather than the growing of soil-depleting crops. Rules and regulations governing payments or grants under this subsection shall be as simple and direct as possible, and, wherever practicable, they shall be classified on two bases: (a) Soil-depleting crops and practices, (b) soil-building crops and practices.

Notwithstanding any other provision of law, in making available conservation materials consisting of seeds, seed inoculants, fertilizers, liming and other soil-conditioning materials, trees, or plants, or in making available soil-conserving or soil-building services, to agricultural producers under this subsection, the Secretary may make payments, in advance of determination of performance by the producers, to persons who fill purchase orders covering approved conservation materials or covering soil-conserving or soil-building services, furnished to producers at not to exceed a fair price fixed in accordance with regulations to be prescribed by the Secretary, or who render services to the Secretary in delivering to producers approved conservation materials, for the carrying out, by the producers, of soil-building or soil-conserving practices approved by the Secretary.

Appropriations are hereby authorized for the purchase in advance of the program year for which the appropriation is made of seeds, fertilizers, lime, trees, or any other farming materials or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary in programs under sections 590a-590e, 590f-590h, 590i, 590j-590q of this title; for the reimbursement of any Federal, State, or local government agency for fertilizers, seeds, lime, trees, or other farming materials, or any soil-terracing services, furnished by such agency; and for the payment of all expenses necessary in making such grants, including all or part of the costs incident to the delivery thereof.

(c) Apportionment of acreage allotments.—(1) In apportioning acreage allotments under this section in the case of wheat

and corn, the National and State allotments and the allotments to counties shall be apportioned annually on the basis of the acreage seeded for the production of the commodity during the ten calendar years immediately preceding the calendar year in which the national acreage allotment is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and trends in acreage during the applicable period.

(2) In the case of wheat, the allotment to any county shall be apportioned annually by the Secretary, through the local committees, among the farms within such county on the basis of tillable acres, crop-rotation practices, type of soil, and topography. Not more than 3 per centum of such county allotment shall be apportioned to farms on which wheat has not been planted during any of the three marketing years immediately preceding the marketing year in which the allotment is made. Notwithstanding any other provision of this section, the allotments established, or which would have been established, for any farm acquired in 1940 or thereafter by the United States for national-defense purposes shall be placed in an allotment pool and shall be used only to establish allotments for other farms owned or acquired by the owner of the farm so acquired by the United States. The allotments so made for any farm, including a farm on which wheat has not been planted during any of the three marketing years preceding the marketing year in which the allotment is made, shall compare with the allotments established for other farms in the same area which are similar except for the past acreage of wheat.

(3) In the case of corn, the allotment to any county shall be apportioned annually by the Secretary, through the local committees, among the farms within such county on the basis of tillable acreage, type of soil, topography, and crop-rotation practices.

(4) Repealed. Apr. 10, 1939, ch. 48, 53 Stat. 573.

(5) In determining normal yield per acre for any county under this section in the case of wheat or corn, the normal yield shall be the average yield per acre therein for such commodity during the ten calendar years immediately preceding the calendar year in which such yield is determined, adjusted for abnormal weather conditions and trends in yields. If for any reason there is no actual yield, or the data therefor are not available for any year, then an appraised yield for such year, determined in accordance with regulations of the Secretary, shall be used. If, on account of drought, flood, insect pests, plant disease, or other uncontrollable natural cause, the yield in any year of such ten-year period is less than 75 per centum of the average (computed without regard to such year), such year shall be eliminated in calculating the normal yield per acre. Such normal yield per acre for any county need be redetermined only when the actual average yield for the ten calendar years immediately preceding the calendar year in which such yield is being reconsidered differs by at least 5 per centum from the actual average yield for the ten years upon which the existing normal yield per acre for the county was based.

(6) In determining normal yield per acre for any farm under this section in the case of wheat or corn, the normal yield shall be the average yield per acre thereon for such commodity during the ten calendar years immediately preceding the calendar year in which such yield is determined, adjusted for abnormal weather conditions and trends in yields. If for any such year the data are not available, or there is no actual yield, then the normal yield for the farm shall be appraised in accordance with regulations of the Secretary, taking into consideration abnormal weather conditions, the normal yield for the county, and the yield in years for which data are available.

(d) Conditions affecting payments or grants of aid.—Any payment or grant of aid made under subsection (b) shall be conditioned upon the utilization of the land, with respect to which such payment is made, in conformity with farming practices which the Secretary finds tends to effectuate any one or more of the purposes specified in clause (1), (2), (3), (4), or (5) of section 590g (a) of this title.

Any payment made under subsection (b) with respect to any farm (except for lands which the Secretary determines should not be utilized for the harvesting of crops but should be permanently used for grazing purposes only) shall, if the number of cows kept on such farm, and in the county in which such farm is located, for the production of milk or products thereof (for market), exceeds the normal number of such cows, be further conditioned upon the utilization of the land, with respect to which such payment is made, so that soil-building and soil-conserving crops planted or produced on an acreage equal to the land normally used for the production of soil-depleting crops but, as a condition of such payment, not permitted to be so used, shall be used for the purpose of building and conserving the fertility of the soil, or for the production of agricultural commodities to be consumed on the farm, and not for market. Whenever it is determined that a county, as a whole, is in substantial compliance with the provisions of this paragraph, no payment shall be denied any individual farmer in the county by reason of this paragraph; and no payment shall be denied a farmer by reason of this paragraph unless it has been determined that the farmer has not substantially complied with the provisions of this paragraph. Whenever the Secretary finds that by reason of drought, flood, or other disaster, a shortage of feed exists in any area, he shall so declare, and to the extent and for the period he finds necessary to relieve such shortage, the operation of the condition provided in this paragraph shall be suspended in such area and, if necessary to relieve such shortage, in other areas defined by him. As used in this paragraph, the term "for market" means for disposition by sale, barter, or exchange, or by feeding (in any form) to dairy livestock which, or the products of which, are to be sold, bartered, or exchanged; and such term shall not include consumption on the farm. An agricultural commodity shall be deemed consumed on the farm if consumed by the farmer's family, employees, or household, or if fed to poultry or livestock other than dairy livestock on his farm;

or if fed to dairy livestock on his farm and such dairy livestock, or the products thereof, are to be consumed by his family, employees, or household. Whenever the Secretary has reason to believe the income of producers of livestock (other than dairy cattle) or poultry in any area from such sources is being adversely affected by increases in the supply for market of such livestock or poultry, as the case may be, arising as a result of programs carried out under sections 590a-590h, 590i, 590j-590q, of this title, he shall make an investigation with respect to the existence of such facts. If, upon investigation, the Secretary finds that the income of producers of such livestock or poultry, as the case may be, in any area from any such source is being adversely affected by such increases, he shall, as soon as practicable, make such provisions in the administration of sections 590a-590h, 590i, 590j-590q, of this title, with respect to the use of diverted acres as he may find necessary to protect the interests of producers of such livestock or poultry in the affected area.

(e) Distribution of payments among landlords, tenants, and sharecroppers.—Payments made by the Secretary to farmers under subsection (b) shall be divided among the landlords, tenants, and sharecroppers of any farm, with respect to which such payments are made, in the same proportion that such landlords, tenants, and sharecroppers are entitled to share in the proceeds of the agricultural commodity with respect to which such payments are made, or effective with respect to the 1942 and subsequent farm programs, in the event of acquisition of title to, or lease of, any farm for use in connection with the national war effort which caused the producers on such farms to lose, prior to the time of harvest, their interests in the crops plants thereon, or the proceeds thereof, payments with respect to such crops, to the extent that full compensation for the loss of payments with respect thereto in connection with such acquisition or lease was not made to such producers, shall be divided among the landlords, tenants, and sharecroppers on such farm in the proportion which it is determined that such producers would have been entitled to share in the proceeds of such crops but for such acquisition or lease: *Provided*, That payments based on soil-building or soil-conserving practices shall be divided in proportion to the extent which such landlords, tenants, and sharecroppers contribute to the carrying out of such practices. Such payments shall be paid by the Secretary directly to the landlords, tenants, or sharecroppers entitled thereto, and shall be computed at rates which will permit the Secretary to set aside out of the funds available for the making of such payments for each year an amount sufficient to permit the increases herein specified to be made within the limits of the funds so available. If with respect to any farm the total payment to any person for any year would be:

(1) Not more than \$20, the payment shall be increased by 40 per centum;

(2) More than \$20 but not more than \$40, the payment shall be increased by \$8, plus 20 per centum of the excess over \$20;

(3) More than \$40 but not more than \$60, the payment shall be increased by \$12, plus 10 per centum of the excess over \$40;

(4) More than \$60 but not more than \$186, the payment shall be increased by \$14; or

(5) More than \$186 but less than \$200, the payment shall be increased to \$200.

In the case of payments of more than \$1, the amount of the payment which shall be used to calculate the 40-, 20-, and 10-per-centum increases under clauses (1), (2), and (3) shall not include that part, if any, of the payment which is a fraction of a dollar.

Beginning with the calendar year 1939, no total payment for any year to any person under such subsection (b) shall exceed \$10,000. In the case of payments made to any individual, partnership, or estate on account of performance on farms in different States, Territories, or possessions, the \$10,000 limitation shall apply to the total of the payments for each State, Territory, or possession, for a year and not to the total of all such payments.

Persons who carry out farming operations as tenants or sharecroppers on cropland owned by the United States Government and who comply with the terms and conditions of the conservation program, formulated pursuant to sections 590g, 590h, 590i, 590j-590q of this title, shall be entitled to apply for and receive payments, or to retain payments heretofore made, for their participation in said program to the same extent as other producers.

(f) **Change between landlord and tenants or sharecroppers affecting landlord's payments.**—Any change in the relationship between the landlord and the tenants or sharecroppers, with respect to any farm, that would increase over the previous year the amount of payments or grants of other aid under subsection (b) that would otherwise be made to any landlord shall not operate to increase such payment or grant to such landlord. Any reduction in the number of tenants below the average number of tenants on any farm during the preceding three years that would increase the payments or grants of other aid under such subsection that would otherwise be made to the landlord shall not hereafter operate to increase any such payment or grant to such landlord. Such limitations shall not apply if on investigation the local committee finds that the change is justified and approves such change in relationship or reduction. Such action of local committees shall be subject to approval or disapproval by State committees.

(g) **Assignment of payment.**—A payment which may be made to a farmer under this section, may be assigned, without discount, by him in writing as security for cash or advances to finance making a crop. Such assignment shall be signed by the farmer and witnessed by a member of the county or other local committee, or by the treasurer or the secretary of such committee, and filed with the county agent or the county committee. Such assignment shall include the statement that the assignment is not made to pay or secure any pre-existing indebtedness. This provision shall not authorize any suit against or impose any liability upon the Secretary or any disbursing agent if payment

to the farmer is made without regard to the existence of any such assignment. (Apr. 27, 1935, ch. 85, § 8, added Feb. 29, 1936, ch. 104, § 1, 49 Stat. 1149, and amended June 28, 1937, ch. 395, § 1, 50 Stat. 329; Feb. 16, 1938, 3 p. m., ch. 30, title I, §§ 101, 102, 103, 52 Stat. 31, 34, 35; Apr. 7, 1938, ch. 107, §§ 16-18, 52 Stat. 204, 205; Apr. 10, 1939, ch. 48, 53 Stat. 573; May 14, 1940, ch. 200, 54 Stat. 216; July 2, 1940, ch. 521, § 2, 54 Stat. 727; June 21, 1941, ch. 217, 55 Stat. 257; Dec. 26, 1941, ch. 626, § 1, 55 Stat. 860; Feb. 6, 1942, ch. 44, § 4, 56 Stat. 53; Sept. 29, 1942, ch. 568, 56 Stat. 761; Sept. 21, 1944, ch. 412, title III, § 301, 58 Stat. 737.)

CODIFICATION

This section was amended by the Department of Agriculture Organic Act of 1944.

PAYMENTS TO SHARECROPPERS IN 1944

Department of Agriculture Appropriation Act of 1945, act June 28, 1944, ch. 296, § 1, 58 Stat. 450, provided in part: "Notwithstanding any other provision of law, persons who in 1944 carry out farming operations as tenants or sharecroppers on cropland owned by the United States Government and who comply with the terms and conditions of the 1944 agricultural conservation program, formulated pursuant to sections 7 to 17, inclusive, of said Act of February 29, 1936 [sections 590g-590q of this title], shall be entitled to apply for and receive payments for their participation in said program to the same extent as other producers."

§ 590h-1. Same; naval stores; utilization of agencies.—In administering the naval stores conservation programs authorized in section 590h of this title and in making payments thereunder to gum naval stores producers the Secretary may utilize the services of regional associations of such producers or any agency of the Government in lieu of the State, county, and other local committees utilized in the other agricultural conservation programs if he finds that more efficient administration will result, and the provisions of section 1388 (b) of Title 7 shall otherwise be applicable to the administration of said naval stores conservation programs. (June 16, 1938, ch. 464, title I, 52 Stat. 746.)

§ 590h-2. Same; adjustments between payee and third persons; definitions.—Where an agricultural adjustment or conservation payment has been made to a person, and all or a part of such payment was earned by a second person by virtue of his having, in good faith, contributed to the rendering of performance for which the payment was made, but who did not enter into or apply for an adjustment contract prior to January 6, 1936, or with respect to any agricultural conservation payment did not apply for payment prior to the expiration of the obligating period of the applicable appropriation or prior to any earlier administrative closing date authorized by the Secretary of Agriculture, and the first person turned over to the second person, as substantiated by evidence acceptable to the Secretary, all or a part of the share of such payment so earned by the second person or refunds all or a part of such share to the United States, such second person shall be deemed to have been entitled to receive such sum from the first person, or where such amount is refunded to the United States shall be entitled to receive from the United States the amount

so refunded, as a discharge, to the extent of the amount turned over to, or received by, such second person, of an obligation or commitment which is hereby deemed to have arisen by virtue of his contribution to the performance rendered.

An agricultural adjustment payment under this section shall be considered to be a payment made under section 608 of Title 7 or the item entitled "Payments for agricultural adjustment", contained in the Supplemental Appropriation Act, fiscal year 1936, as amended by the Act of June 25, 1936; and an agricultural conservation payment under this section shall be considered to be a payment made under section 590h, of this title, under any program formulated for any year from 1936 to 1939, inclusive. (July 2, 1940, ch. 521, § 9, 54 Stat. 729.)

§ 590i. Surveys and investigations; publication of information; reports.—The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting, and methods of accomplishing most effectively, the policy and purposes of section 509g (a) of this title. Notwithstanding any provision of existing law, the Secretary is authorized to make public such information as he deems necessary to carry out the provisions of sections 590a-590h, 590i, 590j-590q, of this title. The Secretary shall transmit to the Congress a report, for the fiscal year ending June 30, 1937, and for each fiscal year thereafter, of the operations for such year under sections 590g, 590h, 590i, 590j-590n, of this title, which report shall include a statement of the expenditures made and obligations incurred, by classes and amounts. (Apr. 27, 1935, ch. 85, § 9, as added Feb. 29, 1936, ch. 104, § 1, 49 Stat. 1150, and amended June 28, 1937, ch. 395, § 2, 50 Stat. 329.)

§ 590i-1. Photographs, mosaics, and maps to be furnished.—Reproductions of such aerial or other photographs, mosaics, and maps as shall be required in connection with the authorized work of the Soil Conservation Service may be furnished at the cost of reproduction to Federal, State, county, or municipal agencies requesting such reproductions. (June 25, 1940, ch. 421, § 1, 54 Stat. 560.)

§ 590i-2. Furnishing photographs, mosaics, and maps required in soil conservation operations of Department of the Interior.—Reproductions of such aerial or other photographs, mosaics, and maps as shall be required in connection with the authorized soil and moisture conservation operations of the Department of the Interior may be furnished to cooperating persons or agencies and to Government agencies at the estimated cost of furnishing such reproductions, and to other persons or agencies at such prices (not less than estimated cost of furnishing such reproductions) as the Secretary may determine, the money received from such sales to be deposited in the Treasury to the credit of this appropriation. (June 28, 1941, ch. 259, § 1, 55 Stat. 306; July 2, 1942, ch. 473, § 1, 56 Stat. 508.)

§ 590j. "Agricultural commodity" defined.—The term "agricultural commodity" as used in sections 590a-590h, 590i, 590j-590q, of this title means any such commodity and any regional or

market classification, type, or grade thereof. (Apr. 27, 1935, ch. 85, § 10, as added Feb. 29, 1936, ch. 104, § 1, 49 Stat. 1150.)

§ 590k. Availability of funds.—All funds available for carrying out sections 590a-590h, 590i, 590j-590q, of this title shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal or State Governments as the Secretary may request to cooperate or assist in carrying out this chapter, and for payments to committees or associations of producers in any region or regions to cover the estimated administrative expenses to be incurred by any such committee or association in cooperating in carrying out such sections: *Provided*, That the Secretary may prescribe that all or part of such estimated expenses of any such committee or associations may be deducted pro rata from the payments or grants made to the members thereof: *And provided further*, That the Secretary may make such payments in advance of determination of performance. (Apr. 27, 1935, ch. 85, § 11, as added Feb. 29, 1936, ch. 104, § 1, 49 Stat. 1150, and amended June 24, 1936, ch. 767, 49 Stat. 1915.)

§ 590l. Expansion of domestic and foreign markets for agricultural commodities; advances for crop insurance; transfer of funds to corporation.—(a) Whenever the Secretary finds that the exercise of the powers conferred in this section will tend to carry out the purpose specified in clause (5) of section 590g (a) of this title, or will tend to provide for and maintain a continuous and stable supply of agricultural commodities adequate to meet consumer demand at prices fair to both producers and consumers, or both, he shall use such part as he deems necessary of the sums appropriated to carry out sections 590a-590h, 590i, 590j-590q, of this title for the expansion of domestic and foreign markets or for seeking new or additional markets for agricultural commodities or the products thereof or for the removal or disposition of surpluses of such commodities or the products thereof.

(b) The Secretary is authorized to make advances to producers for the purpose of assisting them to insure their crops with the Federal Crop Insurance Corporation. The Secretary shall remit the amount of any such advances to a producer directly to such Corporation in payment of the premium on the insurance for which the producer has made application. Advances shall only be made to producers who are participating or who agree to participate in a program formulated pursuant to section 590h of this title. Except as otherwise provided in this subsection, the terms and conditions of such advances shall be fixed by the Secretary. In carrying out the provisions of this subsection, the Secretary may transfer to the Federal Crop Insurance Corporation, prior to the execution of applications for insurance or requests for advances by producers, the funds estimated as necessary to cover the advances which will be requested for the payment of premiums under a crop-insurance program, and any portion of such funds not used for advances to producers under such program shall be returned to the Secretary by the Federal Crop Insurance Corporation. (Apr. 27, 1935, ch. 85, § 12, as added

Feb. 29, 1936, ch. 104, § 1, 49 Stat. 1151, and amended Mar. 25, 1939, ch. 15, 53 Stat. 550; July 2, 1940, ch. 521, § 1, 54 Stat. 727.)

§ 590m. Execution of powers of Secretary of Agriculture Adjustment Administration.—Notwithstanding the foregoing provisions of sections 590a-590h, 590i, 590j-590l, of this title, the Secretary is authorized and directed to provide for the execution by the Agricultural Adjustment Administration of such powers conferred upon him under sections 590g, 590h, 590i, 590j-590n, of this title as he deems may be appropriately exercised by such Administration, and for such purposes the provisions of law applicable to the appointment and compensation of persons employed by the Agricultural Adjustment Administration shall apply. (Apr. 27, 1935, ch. 85, § 13, as added Feb. 29, 1936, ch. 104, § 1, 49 Stat. 1151.)

TRANSFER OF FUNCTIONS

Federal Crop Insurance Corporation consolidated with other agencies into Agricultural Conservation and Adjustment Administration for duration of war, see Ex. Ord. No. 9069, set out in note under section 601 of Appendix to Title 50, War.

§ 590n. Payments reviewable only by Secretary.—The facts constituting the bases for any payment or grant or the amount thereof authorized to be made under section 590g or 590h of this title, when officially determined in conformity with rules or regulations prescribed by the Secretary of Agriculture, shall be reviewable only by the Secretary of Agriculture. (Apr. 27, 1935, ch. 85, § 14, as added Feb. 29, 1936, ch. 104, § 1, 49 Stat. 1151.)

§ 590o. Appropriation for purposes of sections 590g and 590h; allocation of funds among commodities.—To enable the Secretary of Agriculture to carry out the purposes of section 590g and 590h of this title there is hereby authorized to be appropriated for any fiscal year not exceeding \$500,000,000.

The funds available for payments (after allowing for estimated administrative expenses, and not to exceed 5 per centum for payments with respect to range lands, noncrop pasture lands, and naval stores) shall be allocated among the commodities produced with respect to which payments or grants are to be computed. In allocating funds among the commodities the Secretary shall take into consideration and give equal weight to (1) the average acreages planted to the various commodities (including rotation pasture), for the ten years 1928 to 1937, adjusted for abnormal weather and other conditions, including acreage diverted from production under the agricultural adjustment and soil conservation programs; (2) the value at parity prices of the production from the allotted acreages of the various commodities for the year with respect to which the payment is made; (3) the average acreage planted to the various commodities during the ten years 1928 to 1937, including the acreage diverted from production under the agricultural adjustment and soil conservation programs, in excess of the allotted acreage for the year with respect to which the payment is made; and (4) the value based on average

prices for the preceding ten years of the production of the excess acreage determined under item (3). The rate of payment used in making payments to the producers of each commodity shall be such that the estimated payments with respect to such commodity shall equal the amount of funds allocated to such commodity as herein provided. For the purpose of allocating funds and computing payments or grants the Secretary is authorized to consider as a commodity a group of commodities or a regional or market classification of a commodity. For the purpose of computing payments or grants, the Secretary is authorized to use funds allocated to two or more commodities produced on farms of a designated regional or other classification to compute payments with respect to one of such commodities on such farms, and to use funds, in an amount equal to the estimated payments which would be made in any county, for making payments pursuant to a special program under section 590h approved by the Secretary for such county: *Provided*, That farm acreage allotments shall be made for wheat in 1938, but in determining compliance wheat shall be considered in the group with other crops for which special acreage allotments are not made. (Apr. 27, 1935, ch. 85, § 15, as added Feb. 29, 1936, ch. 104, § 1, 49 Stat. 1151, and amended Feb. 16, 1938, 3 p. m., ch. 30, title I, § 104, 52 Stat. 35.)

EFFECT OF AMENDMENT

Act Feb. 16, 1938, ch. 30, title I, § 105, 52 Stat. 36, as amended by act April 7, 1938, ch. 107, § 1, 52 Stat. 202, provided that amendment of this act affecting this section, "shall first be effective with respect to farming operations carried out in the calendar year 1938. Notwithstanding such amendments, payments with respect to farming operations carried out in the calendar year 1938 and based upon any soil-depleting crop for which special acreage allotments are established shall be made at not less than 90 per centum of the rates announced by the Secretary prior to the enactment of this act. Nothing contained herein shall require reconstituting, for 1938, any country or other local committee which has been constituted prior to February 1, 1938."

TRANSFER OF FUNCTIONS

Functions respecting lands under jurisdiction of Department of Interior, transfer to Department of Interior, see note under section 590a of this title.

§ 590p. Limitation on obligations incurred.—The obligations incurred for the purpose of carrying out, for any calendar year, the provisions of sections 590g, 590h, 590i, 590j-590n, of this title shall not exceed \$500,000,000. (Apr. 27, 1935, ch. 85, § 16, as added Feb. 29, 1936, ch. 104, § 1, 49 Stat. 1151.)

§ 590q. Scope of application of chapter; "State" defined; short title.—(a) Sections 590a-590h, 590i, 590j-590q, of this title shall apply to the United States, the Territories of Alaska and Hawaii, and the possession of Puerto Rico, and as used in such sections, the term "State" includes Alaska, Hawaii, and Puerto Rico.

(b) Such sections may be cited as the "Soil Conservation and Domestic Allotment Act". (Apr. 27, 1935, ch. 85, § 17, as added Feb. 29, 1936, ch. 104, § 1, 49 Stat. 1151.)

§ 590q-1. Sale and distribution of supplies, materials, and equipment to other Government agencies; reimbursement.—The Soil Conservation Service may sell and distribute supplies, ma-

terials, and equipment to other Government activities, the cost of such supplies and materials or the value of such equipment (including the cost of transportation and handling) to be reimbursed to appropriations current at the time additional supplies, materials, or equipment are procured from the appropriations chargeable with the cost or value of such supplies, materials, or equipment. (Sept. 21, 1944, ch. 412, title III, § 302 (b), 58 Stat. 738.)

CODIFICATION

This section was not enacted as a part of the Soil Conservation and Domestic Allotment Act.

This section was enacted as a part of the Department of Agriculture Organic Act of 1944.

FACILITIES FOR WATER STORAGE AND UTILIZATION

§ 590r. **Declaration of policy.**—It is hereby recognized that the wastage and inadequate utilization of water resources on farm, grazing, and forest lands in the arid and semiarid areas of the United States resulting from inadequate facilities for water storage and utilization contribute to the destruction of natural resources, injuries to public health and public lands, droughts, periodic floods, crop failures, decline in standards of living, and excessive dependence upon public relief, and thereby menace the national welfare. It is therefore hereby declared to be the policy of Congress to assist in providing facilities for water storage and utilization in the arid and semiarid areas of the United States. (Aug. 28, 1937, ch. 870, § 1, 50 Stat. 869.)

§ 590s. **Powers and duties of Secretary of Agriculture.**—In order to effectuate the policy set out in section 590r of this title and promote proper land use in the said areas, the Secretary of Agriculture is hereby authorized, from time to time—

(1) To formulate and keep current a program of projects for the construction and maintenance in the said areas of ponds, reservoirs, wells, check-dams, pumping installations, and other facilities for water storage or utilization, together with appurtenances to such facilities. The facilities to be included within such program shall be located where they will promote the proper utilization of lands and no such facilities shall be located where they will encourage the cultivation of lands which are submarginal and which should be devoted to other uses in the public interest;

(2) To construct and to sell or lease, with or without a money consideration, under such terms and conditions as will advance the purposes of sections 590r-590x of this title, the facilities mentioned in subsection (1) and included within the program there provided for, including the lands upon which such facilities are located if they have been acquired or reserved for the purposes of sections 590r-590x of this title;

(3) To cooperate or enter into agreements with, or to furnish financial or other aid to, any agency, governmental or otherwise, or any person, subject to such conditions as he may deem necessary for the purposes of section 590r-590x of this title; and

(4) To obtain options upon and to acquire lands, or rights or interests therein, or rights to the use of water, by purchase, lease, gift, exchange, condemnation, or otherwise, only when necessary for the purposes of sections 590r-590x of this title. (Aug. 28, 1937, ch. 870, § 2, 50 Stat. 869.)

§ 590t. Location of projects.—The facilities included in the program provided for in section 590s of (1) of this title may be located—

(a) On lands owned or controlled by the United States or any of its agencies, with the cooperation of the agency having jurisdiction thereof; and

(b) On any other lands upon obtaining proper consent or the necessary rights or interests in such lands. (Aug. 28, 1937, ch. 870, § 3, 50 Stat. 869.)

§ 590u. State aid; requirements.—As a condition to extending benefits under sections 590r-590x of this title to any lands not owned or controlled by the United States or any of its agencies, the Secretary of Agriculture may, insofar as he may deem necessary for the purposes of sections 590r-590x of this title, require—

(1) The enactment of State and local laws providing for soil conserving land uses and practices, and the storage, conservation and equitable utilization of waters;

(2) Agreements or covenants in regard to the maintenance and permanent use of such water, facilities, or lands benefited by such facilities;

(3) Contributions in money, services, materials, or otherwise to any operations conferring such benefits. (Aug. 28, 1937, ch. 870, § 4, 50 Stat. 870.)

§ 590v. Use of employees and agencies within Department of Agriculture.—The Secretary of Agriculture, in administering the provisions of sections 590r-590x of this title, shall utilize the officers, employees, and facilities of agencies within the Department of Agriculture whose functions are related to the program provided for in sections 590r-590x of this title, and may allot to such agencies or transfer to such other agencies of the Federal Government as he may request to assist in carrying out any of the provisions of sections 590r-590x of this title, any funds available for the purposes of sections 590r-590x of this title. (Aug. 28, 1937, ch. 870, § 5, 50 Stat. 870.)

CROSS REFERENCE

Limitation of expenditures of Federal funds for any one project under sections 590r-590x, see section 590z-5 of this title.

§ 590w. Cooperation of governmental agencies; expenditures; rules and regulations.—For the purposes of sections 590r-590x of this title, the Secretary of Agriculture may—

(1) Secure the cooperation of any governmental agency;

(2) Make expenditures for personal services and rent in the District of Columbia and elsewhere, for the purchase of law books and books of reference, for printing and binding, for the purchase, exchange, operation, and maintenance of passenger-

carrying vehicles, for supplies and equipment, for traveling expenses and for other administrative expenses; and

(3) Perform such acts, and prescribe such rules and regulations as he may deem proper to carry out the provisions of sections 590r-590x of this title. (Aug. 28, 1937, ch. 80, § 6, 50 Stat. 870.)

CROSS REFERENCE

Limitation of expenditures of Federal funds for any one project under sections 590r-590x, see section 590z-5 of this title.

§ 590x. Appropriation.—There are hereby authorized to be appropriated for the purposes of sections 590r-590x of this title such sums as Congress may from time to time determine to be necessary. (Aug. 28, 1937, ch. 80, § 7, 50 Stat. 870.)

CROSS REFERENCE

Limitation of expenditures of Federal funds for any one project under sections 590r-590x, see section 590z-5 of this title.

CONSERVATION AND UTILIZATION PROJECTS

§ 590y. Authorization and purpose of investigation, construction, and maintenance of projects; title to projects; limitation on costs.—For the purpose of stabilizing water supply and thereby rehabilitating farmers on the land and providing opportunities for permanent settlement of farm families, the Secretary of the Interior (hereinafter referred to as “the Secretary”) is hereby authorized to investigate and, upon compliance with the provisions of this subchapter, to construct water conservation and utilization projects in the Great Plains and arid and semiarid areas of the United States, and to operate and maintain each such project in accordance with the provisions of sections 590y to 590z-10 of this title: *Provided*, That the United States shall retain title to the dams, reservoirs, irrigation, and other project works until Congress otherwise provides: *And provided further*, That expenditures from appropriations made directly pursuant to the authority contained in section 590z-10 (1) to meet reimbursable construction costs allocated to irrigation as defined in section 590z-2 (b) shall not exceed \$2,000,000 for dams and reservoirs in any one project, and that expenditures from appropriations made directly pursuant to the authority contained in section 590z-10 (1) to meet costs allocated to flood control by the Secretary after consultation with the Chief of Engineers, War Department, shall not exceed \$500,000 on any one project. (Aug. 11, 1939, ch. 717, § 1, 53 Stat. 1418; Oct. 14, 1940, ch. 861, 54 Stat. 1119; May 7, 1942, ch. 164, 56 Stat. 142; July 16, 1943, ch. 242, § 1, 57 Stat. 566.)

§ 590z. Utilization of services, materials, funds, etc., of Federal, State, or municipal agencies, or of individuals.—In connection with the investigation, construction, or operation and maintenance of a project, pursuant to the authority of sections 590y to 590z-10 of this title, the Secretary is authorized to utilize (1) in such manner as the President may direct, services, labor, materials, or other property, including money, supplied by the Work Projects Administration, the Civilian Conservation Corps, the

Office of Indian Affairs, the Department of Agriculture, or any other Federal agency, for which the United States shall be reimbursed in such amounts as the President may fix for each project, within the limits of the water users' ability to repay costs as found by the Secretary under subsection 590z-1 (a) (iv); and (2) such services, labor, materials, easements or property, including money, as may be contributed by any State or political subdivision thereof, State agency, municipal corporation, or other organization, or individuals, if, in the judgment of the Secretary, the acceptance thereof will not impair the title of the United States to the project works and will not reduce the probability that the project water users can meet the obligations to the United States entered into pursuant to sections 590y to 590z-10 of this title. Moneys received and accepted under (2) of this section shall be and remain available for expenditure for the purposes for which contributed in like manner as if said sums had been specifically appropriated for said purposes. (Aug. 11, 1939, ch. 717, § 2, 53 Stat. 1419; Oct. 14, 1940, ch. 861, 54 Stat. 1120.)

§ 590z-1. Prerequisites for construction of project.—(a) No construction of a project may be undertaken pursuant to the authority of sections 590y to 590z-10 of this title unless and until the Secretary has made an investigation thereof and has submitted to the President his report and findings on—

- (i) the engineering feasibility of the proposed construction;
- (ii) the estimated cost of the proposed construction;
- (iii) the part of the estimated cost which properly can be allocated to irrigation;
- (iv) the part of the estimated cost which probably can be repaid by the water users in accordance with the requirements of section 590z-2;
- (v) the part of the estimated cost which can properly be allocated to municipal or miscellaneous water supplies or power and probably be returned to the United States in revenues therefrom;
- (vi) the part of the estimated cost which can properly be allocated to the irrigation of Indian trust and tribal lands, and be repayable in accordance with existing law relating to Indian lands;
- (vii) the part of the estimated cost which can properly be allocated to flood control as recommended by the Secretary after consultation with the Chief of Engineers, War Department.

In connection with each such investigation, report, and finding, the Secretary shall consult with the Secretary of Agriculture regarding participation in the proposed project by the Department of Agriculture under the authority of sections 590z-3 and 590z-4; and the Secretary shall also transmit to the President a report by the Secretary of Agriculture to the President on the participation, if any, proposed by the Department of Agriculture. The project shall be deemed authorized and may be undertaken pursuant to sections 590y to 590z-10 of this title if (1) the Secretary finds and certifies to the President that the project has engineering feasibility and that the water users probably can repay, in accordance with the requirements of section 590z-2 an amount equal to or in excess of that part of the estimated cost allocated

by him to irrigation to be met by expenditure of moneys appropriated pursuant to section 590z-10 (1); and (2) the President has approved said report and findings and has found that services, labor, materials, easements, and other property, including money, for the construction of the project, should be made available to the Department of the Interior by the Work Projects Administration or other Federal agencies, to the extent found necessary by the Secretary to make up the difference between the estimated cost of project construction and (i) the part thereof to be met by expenditure of moneys appropriated pursuant to section 590z-10 (1), together with (ii) such services, materials, money, easements, and other property as non-Federal agencies or parties have agreed to contribute and the Secretary has found acceptable under section 590z.

(b) No actual construction of the physical features of a project shall be undertaken unless and until (1) the Secretary has found that lands, or interests in lands, deemed necessary for the construction and operation of the major features of the projects have been secured, or sufficient progress made in their procurement to indicate the probability that all these lands or interests in lands can be secured, with titles and at prices satisfactory to him; and (2) the Secretary has found (i) that water rights adequate for the purposes of the project have been acquired with titles and at prices satisfactory to him, or that such water rights have been initiated and in his judgment can be perfected in conformity with State law and any applicable interstate agreements and in a manner satisfactory to him; and (ii) that such water rights can be utilized for the purposes of the project in conformity with State law and any applicable interstate agreements and in a manner satisfactory to him.

(c) Any part of a project hereunder may be designated as a division of the project by the Secretary if he, after consultation with the Secretary of Agriculture, deems this desirable for orderly and efficient construction or administration. The term "project", as used in subsection (b) of this section and section 590z-2, shall be deemed to mean also "division of a project", designated as provided in this subsection. Any project authorized for construction from appropriations under the head "Water Conservation and Utility Projects" in the Interior Department Appropriation Act, 1940 [c. 119] (53 Stat. 685), hereinafter called the 1940 water conservation appropriation, may be designated by the Secretary, upon agreement with the Secretary of Agriculture, a project under sections 590y to 590z-10 of this title, and shall thereupon be subject to all the provisions and requirements thereof, except those of subsections (a) and (b) of this section. (Aug. 11, 1939, ch. 717, § 3, 53 Stat. 1419; Oct. 14, 1940, ch. 861, 54 Stat. 1120; July 16, 1943, ch. 242, §§ 2-4, 57 Stat. 567.)

NOTE.—Subsection (a) of section 590z-1 relating to initiation of projects has been amended by section 1 (c) of the act of Dec. 22, 1944, 58 Stat. 889, relative to approval of reports on proposed projects.

NOTE.—The item "Water Conservation and Utility Project" in Interior Department Appropriation Act, 1940 (53 Stat. 685, 719, ch. 119) cited to text, provides as follows:

"For construction, in addition to labor and materials to be supplied by the Works Progress Administration, of water conservation and utilization projects, including acquisition of water rights, rights-of-way, and other interests in land, in the Great Plains and arid and semiarid areas of the United States, to be immediately available, \$5,000,000, to be allocated by the President, in such amounts as he deems necessary, to such Federal Departments, establishments, and other agencies as he may designate, and to be reimbursed to the United States by the water user on such projects in not to exceed forty annual installments: *Provided*, That expenditures from Works Progress Administration funds shall be subject to such provisions with respect to reimbursability as the President may determine."

The following provisions appear under the same item in the Interior Department Appropriation Act, 1941, 54 Stat. 406 at p. 438:

"The appropriation of \$5,000,000 contained in the Interior Department Appropriation Act, 1940, is hereby made available until expended and may be expended in the same manner and for the same objects of expenditure as specified hereinbefore in this Act under the headings "Salaries and expenses" and "Administrative provisions and limitations" under the caption "Bureau of Reclamation," but without regard to the limitations therein set forth.

"It is hereby declared to be the policy of the Congress that, in the opening to entry of newly irrigated public lands, preference shall be given to families who have no other means of earning a livelihood, or who have been compelled to abandon, through no fault of their own, other farms in the United States, and with respect to whom it appears after careful study, in the case of each such family, that there is a probability that such family will be able to earn a livelihood on such irrigated lands."

§ 590z-2. Repayment contracts; necessity; terms, reimbursable construction costs defined.—(a) No water for irrigation may be delivered from the works of any project constructed under the authority of sections 590y to 590z-10 of this title until after the repayment contract or contracts required by this section have been executed. Where practicable in the judgment of the Secretary, the repayment contract shall be with a water users' organization or organizations satisfactory in form and powers to the Secretary; and otherwise the repayment contract shall be with the individual landowners. The contract or contracts shall contain such provisions as the Secretary deems necessary to carry out the purposes of sections 590y-590z-10 of this title and to protect the interests of the United States.

(b) The term "reimbursable construction costs" as used in sections 590y to 590z-10 of this title means that part of the costs of investigating, constructing, and operating and maintaining the project, which are allocated by the Secretary to irrigation, and which are met by expenditures of moneys therefor appropriated under the authority of section 590z-10 (1), plus such amounts as the President, under section 590z (1), may determine to be reimbursable; *Provided*, That administrative expenses incurred in the District of Columbia in connection with the investigation, construction, or operation and maintenance of a project shall not be included in the reimbursable construction costs nor shall they be charged to the water users in any way.

(c) The repayment contract or contracts for a project shall, in their aggregate, provide for repayment to the United States of the total amount of the reimbursable construction costs of the project allocated to irrigation. Each such contract shall provide, among other things, that—

(1) The Secretary shall fix a development period for each project of not to exceed ten years from and including the first

calendar year in which water is delivered for the lands in said project; and during the development period water shall be delivered to the lands in the project involved at a charge per acre-foot, or other charge, to be fixed by the Secretary each year and to be paid in advance of delivery of water. Such charges shall be fixed with a view of returning such amounts as in the Secretary's judgment are justified by the rate of project development, including as a minimum the return over the full development period of that part of the cost of operating and maintaining the project, during said period, allocated by the Secretary to irrigation; and collections of such charges in excess of the cost of the operation and maintenance during the development period, as thereafter determined by the Secretary, shall be credited to the reimbursable construction costs of the project in the manner determined by the Secretary.

(2) The United States shall operate and maintain the project during the development period fixed for it. After the development period, the United States shall operate and maintain the project or any part thereof as long as is deemed necessary by the Secretary, and shall be paid in advance for each year that part of the estimated cost of operating and maintaining the project for such year allocated by the Secretary to irrigation. In the event charges due the United States are not paid when due the United States may, at its election, suspend operations in whole or in part.

(3) The repayment of the reimbursable construction costs, except as to Indian lands which shall be repayable in accordance with existing law relating to Indian lands, shall be spread in not to exceed forty annual installments, of the number and amounts fixed by the Secretary; and the first annual installment under each contract shall become due and payable on the date fixed by the Secretary, in the year next following the last year of the development period fixed under subsection (c) (1): *Provided*, That the provisions of this subsection shall not be construed to modify the provisions of special legislation pertaining to any particular project.

(4) The water users or their organization will take such measures as the Secretary deems proper to secure the adoption of proper accounting, to protect the condition of project works, and to provide for the proper use thereof, and to protect project lands against deterioration due to improper use of water. Delinquencies in any payments due to the United States shall be penalized by a penalty of not less than one-half of 1 per centum per month. No water shall be delivered to or for any land or party while either said land or the organization in which it is located or said party is in arrears in the advance payment of operation and maintenance charges or development period charges under subsection (c) (1), or in arrears for more than twelve months in the payment of an installment of the reimbursable construction costs.

(5) The Secretary shall establish the size of farm units of irrigable lands on each project in accordance with his findings of the area sufficient in size for the support of a family on the

lands to be irrigated. No water may be delivered to or for more than the farm unit area of irrigable lands in the project owned by a single landowner: *Provided*, That this subsection shall not apply to the United States or any agency or instrumentality thereof, corporate or otherwise. No water shall be delivered to or for any land, in a project area, transferred or disposed of subsequent to approval of the project by the President, and within three years from the time water becomes available, unless and until it has been shown to the satisfaction of the Secretary or his duly authorized representative that the land has been transferred or disposed of at a price not exceeding the appraised value as determined by the Secretary or his duly authorized representatives, and upon proof of fraudulent representation as to the true consideration involved the Secretary is authorized to cancel the water right attaching to the land involved: *Provided further*, That nothing in sections 590y to 590z-10 of this title shall be construed to create authority to interfere with the delivery of water under prior rights.

(d) For each project, on which construction is commenced or continued under this subsection, appropriations heretofore or hereafter made pursuant to section 590z-10 and the unexpended balance of the 1940 water conservation appropriation, in addition to being available for other authorized objects of expenditure, shall be available for expenditure, by the agency to which available, in lieu of the "services, labor, materials, or other property, including money", authorized to be utilized under section 590z and subsection 590z-3 (b). All expenditures on each such project may be excluded (1) from the project construction costs to the extent the Secretary finds necessary to keep the reimbursable costs within the findings made under subsections 590z-1 (a) (iv, v, vi), and (2) from the costs that but for this subsection would be required to be returned under section 590z-3, to the extent deemed necessary by the Secretary of Agriculture for the successful prosecution of the project; and as to each such project the limitations on expenditures provided in sections 590y and 590z-7 shall be inoperative. Appropriations made pursuant to section 590z-10 shall be available for expenditures for continuation of construction on any project heretofore undertaken under the 1940 water conservation appropriation, and such expenditures and those from the 1940 water conservation appropriation may be excluded from the costs of any such project in determining the amounts required to be reimbursed, to the extent the Secretary and the Secretary of Agriculture jointly determine is necessary to keep reimbursable costs within the ability of the water users to repay. No project may be initiated for construction or, if heretofore authorized, continued under this subsection unless the Secretary, following consultation with the Secretary of Agriculture, finds that the proposed construction under this subsection is justifiable as an aid in the production of needed agricultural products and the President approves said finding. The utilization of services or labor of prisoners of war under section 590z is authorized, subject to the approval of, and regulations by, the War Department or other Federal agency having

control of said prisoners. From and after the date six months after the cessation of hostilities in the present war as determined by proclamation of the President or concurrent resolution of the Congress, this subsection shall no longer be of any force or effect except as to projects on which construction has been initiated or continued under this subsection prior to said date. (Aug. 11, 1939, ch. 717, § 4, as added Oct. 14, 1940, ch. 861, 54 Stat. 1121; July 16, 1943, ch. 242, § 5, 57 Stat. 567.)

§ 590z-3. Settlement of projects on agricultural basis; advice to settlers; acquisition and improvement of agricultural lands; utilization of other agencies.—(a) In connection with the construction or operation and maintenance of projects undertaken pursuant to the authority of sections 590y to 590z-10 of this title, and in order to further in the Great Plains and arid and semiarid areas of the United States an effective rehabilitation program, stabilization of the agricultural economy and maximum utilization of funds spent for relief purposes, the Secretary of Agriculture is hereby authorized, pursuant to cooperative agreement with the Secretary of the Interior, (1) to arrange for the settlement of the projects on a sound agricultural basis, and insofar as practicable, the location thereon of persons in need; (2) to extend guidance and advice to settlers thereon in matters of farm practice, soil conservation, and efficient land use; (3) to acquire agricultural lands within the boundaries of such projects, with titles and at prices satisfactory to him; and (4) to arrange for the improvement of lands within the project boundaries, including clearing, leveling, and preparing them for distribution of irrigation water. Contracts between the United States and water users or water users' organizations for the lease or purchase of, or the improvement of, lands within such projects shall provide for annual or semiannual payments to the United States, of the number and amounts fixed by the Secretary of Agriculture. The lease, purchase, or improvement contracts for each tract of land shall provide in the aggregate for the return, in not to exceed fifty years from the date the land is first settled upon, of the costs incurred by the United States in acquiring and improving such tract of land with funds appropriated under authority of section 590z-10 (2), except administrative expenses incurred in the District of Columbia, together with interest on unpaid balances of said costs at not less than 3 per centum per annum. Such lease, purchase, or improvement contracts shall also provide for the fulfillment of such obligations related to reimbursable construction costs and operation and maintenance charges as may be applicable to such lands in accordance with the repayment contract or contracts required by section 590z-2.

(b) For the purposes of this section, the Secretary of Agriculture may utilize (1) in such manner as the President may direct, services, labor, materials, or other property, including money, supplied by the Work Projects Administration, the Civilian Conservation Corps, the Office of Indian Affairs, the Department of Agriculture, or any other Federal agency to the extent that the President, upon the report and recommendations

of the Secretary of Agriculture, finds that the same should be supplied in assistance of such improvement work, and for which the United States shall be reimbursed in such amounts as the President may fix for each project; and (2) such services, labor, materials, easements, or other property, including money, as may be contributed by any State or political subdivision thereof, State agency, municipal corporation, or other organization, or individuals. Moneys received and accepted under (2) of this subsection shall remain available for expenditure for the purposes for which contributed in like manner as if said sums had been specifically appropriated for said purposes.

(c) Where the aggregate amount involved does not exceed \$300 the provisions of section 5 of Title 41 shall not apply to any purchase or service authorized for the Department of Agriculture under sections 590y to 590z-10 of this title or under the 1940 water conservation appropriation. (Aug. 11, 1939, ch. 717, § 5, as added Oct. 14, 1940, ch. 861, 54 Stat. 1122; July 16, 1943, ch. 242, § 6, 57 Stat. 568.)

§ 590z-4. Cooperative agreements with other agencies.—The Secretary, by cooperative agreements, may arrange with the Department of Agriculture or with such other Federal or State agencies, as the President may deem desirable, for cooperation in the investigations and surveys of projects proposed under the authority of sections 590y to 590z-10 of this title; and in connection with any such project which is undertaken the Secretary by such cooperative agreements may arrange for such cooperation in the construction or operation and maintenance of the project as he deems desirable. Any such cooperative agreement with the Department of Agriculture may provide, among other things (1) that the Secretary of Agriculture shall enter into the repayment contracts, required by section 590z-2 and shall handle the collections of repayments and shall take over the other administrative duties connected with the project, after the Secretary of the Interior announces that the project is ready for operation; (2) if such agreement be entered into after construction of the project has been undertaken by the Secretary of the Interior and after he has entered into the repayment contracts required by section 590z-2, that the Secretary of Agriculture shall take over the collection of repayments and other administrative duties connected with the project; (3) that no water shall be delivered to or for any land or party while the owner of said land or said party is in arrears for more than twelve months in the payment to the United States of money due and payable under a land contract entered into pursuant to section 590z-3 (a); and (4) that any repayment contract with a water user or water users' organization entered into pursuant to section 590z-2 and any land contract with the same water user or organization entered into pursuant to section 590z-3 (a), if said contracts involve the same land, may be combined in a single instrument. The Secretary of Agriculture is hereby authorized to carry out the provision of any such cooperative agreements. (Aug. 11, 1939, ch. 717, § 6, as added Oct. 14, 1940, ch. 861, 54 Stat. 1123.)

§590z-5. Limitation of expenditures of Federal funds for any one project under sections 590r-590x.—On any one project undertaken pursuant to sections 590r-590x of this title, as amended and supplemented, expenditures for the construction, maintenance, operation, rehabilitation or financial assistance of any one project, shall not exceed \$50,000 of Federal funds, whether appropriated or allotted or both. All project facilities and appurtenances which depend for their utility in whole or in part upon each other or upon any common facility shall be deemed one project within the meaning of this section. (Aug. 11, 1939, ch. 717, § 7, as added Oct. 14, 1940, ch. 861, 54 Stat. 1124.)

§ 590z-6. Disposition of receipts from repayment contracts and project operations.—All payments made to the United States under repayment contracts on account of reimbursable construction costs, including penalties collected for delinquencies in such payments, and all other receipts from project operations pursuant to sections 590z-2 and 590z-7 shall be covered into the Treasury to the credit of miscellaneous receipts. Charges collected during the development period of a project under section 590z-2 (c) (1), excepting such amounts thereof as may be credited to reimbursable construction costs, and charges collected for the operation and maintenance of a project under section 590z-2 (c) (2) shall be available for expenditure for operation and maintenance of said project in like manner as if said funds had been specifically appropriated for said purposes. (Aug. 11, 1939, ch. 717, § 8, as added Oct. 14, 1940, ch. 861, 54 Stat. 1124.)

§ 590z-7. Provisions for furnishing surplus power and municipal or miscellaneous water supplies.—In connection with any project undertaken pursuant to sections 590y to 590z-10 of this title, provisions, including contracts of sale, may be made for furnishing municipal or miscellaneous water supplies, or for developing and furnishing power in addition to the power requirements of irrigation: *Provided*, That expenditures from appropriations made directly pursuant to the authority contained in section 590z-10 (1) to meet costs allocated to municipal or miscellaneous water supplies or surplus power shall not exceed \$500,000 for any one project: *Provided further*, That no contract relating to a water supply for municipal or miscellaneous purposes or to electric power shall be made unless, in the judgment of the Secretary, it will not impair the efficiency of the project for irrigation purposes. On any project where such provisions are made, the Secretary shall allocate to municipal or miscellaneous water purposes or to surplus power the part of the estimated construction costs of the project which he deems properly so allocable; and such allocations shall not be included in the reimbursable construction costs covered by the repayment contract or contracts required under section 590z-2. All right, title, and interest in the facilities provided for such municipal or miscellaneous water supplies or surplus power and the revenues derived therefrom shall be and remain in the United States. Contracts for such municipal or miscellaneous water supplies or for such surplus power shall be at such rates as, in the Secretary's judgment, will produce revenues at least sufficient

to cover the appropriate share of the annual operation and maintenance cost of the project and such fixed charges, including interest, as the Secretary deems proper. Contracts for sale of surplus power shall be for periods not to exceed forty years and contracts for water supply for municipal or miscellaneous purposes shall be for such periods as the Secretary may determine and may include such renewal options as the Secretary deems desirable: *And provided further*, That in sales or leases of such power, preference shall be given to municipalities and other public corporations or agencies; and also to cooperatives and other nonprofit organizations financed in whole or in part by loans made pursuant to sections 901-914 of Title 7 and any amendments thereof. (Aug. 11, 1939, ch. 717, § 9, as added Oct. 14, 1940, ch. 861, 54 Stat. 1124.)

§ 590z-8. Authority of Secretary of the Interior over lands, contracts, water rights, etc.—(a) In connection with any project constructed pursuant to the provisions of sections 590y-590z-10 of this title, the Secretary shall have the same authority, with regard to the utilization of lands owned by the United States, other than lands acquired under section 590z-3 as he has in connection with projects undertaken pursuant to the Federal reclamation laws, sections 372, 373, 381, 383, 391, 392, 411, 416, 419, 421, 431, 432, 434, 439, 461, 491, and 498 of this title, and Acts amendatory thereof or supplementary thereto.

(b) In connection with the construction or operation and maintenance of a project undertaken pursuant to the authority of sections 590y to 590z-10 of this title, the Secretary shall have with respect to construction and supply contracts, and with respect to the acquisition, exchange, and disposition of lands, interest in lands, water rights, and other property and the relocation thereof, the same authority, including authority to acquire lands and interests in land and water rights with titles and at prices satisfactory to him, which he has in connection with projects under the Federal reclamation laws. (Aug. 11, 1939, ch. 717, § 10, as added Oct. 14, 1940, ch. 861, 54 Stat. 1125.)

§ 590z-9. Powers and duties of Secretaries of Interior and Agriculture; rules and regulations.—The Secretary of the Interior and the Secretary of Agriculture are hereby authorized to perform any and all Acts¹ and to make such rules and regulations as may be necessary and proper for the purpose of carrying out their respective functions under sections 590y to 590z-10 of this title and for the purpose of carrying the provisions of sections 590y to 590z-10 of this title into full force and effect. (Aug. 11, 1939, ch. 717, § 11, as added Oct. 14, 1940, ch. 861, 54 Stat. 1125.)

CROSS REFERENCES

Delegation of powers and duties of Secretary of Interior, see section 590z-11 of this title.

§ 590z-10. Appropriations.—To carry out the purposes of sections 590y to 590z-10 of this title there is hereby authorized to be appropriated, out of any money in the Treasury not other-

¹ So in original. Probably should read "acts."

wise appropriated (1) for the Department of the Interior such sums as may be necessary to carry out its functions under sections 590y to 590z-10 of this title, and (2) for the Department of Agriculture such sums as may be necessary to carry out its functions under sections 590y to 590z-10 of this title. (Aug. 11, 1939, ch. 717, § 12; Oct. 14, 1940, ch. 861, 54 Stat. 1125.)

§ 590z-11. Delegation of powers and duties by Secretary of Interior.—For the purpose of facilitating and simplifying the administration of the Federal reclamation laws (sections 372, 373, 381, 383, 391, 392, 411, 416, 419, 421, 431, 432, 434, 439, 461, 491, and 498 of Title 43 and Acts amendatory thereof or supplementary thereto) and sections 590y-590z-10 of this title, the Secretary of the Interior is hereby authorized to delegate, from time to time and to the extent and under such regulations as he deems proper, his powers and duties under said laws to the Commissioner of Reclamation, an Assistant Commissioner, or the officer in charge of any office, division, district, or project of the Bureau of Reclamation. (Dec. 19, 1941, ch. 595, 55 Stat. 842.)

PROTECTION OF TIMBER, AND DEPREDATIONS

§ 593. Protection of timber in Florida.—The President is authorized to employ so much of the land and naval forces of the United States as may be necessary effectually to prevent the felling, cutting down, or other destruction of the timber of the United States in Florida, and to prevent the transportation or carrying away any such timber as may be already felled or cut down; and to take such other and further measures as may be deemed advisable for the preservation of the timber of the United States in Florida. (R. S. § 2460.)

DERIVATION

Act Feb. 23, 1822, ch. 9, 3 Stat. 651.

§ 594a. White-pine blister rust control; contributions by local authorities; Indian lands.—To promote the stability of white-pine forest-using industries, employment, and communities through the continuous supply of white- and sugar-pine timber, the Secretary of Agriculture is authorized in cooperation with such agencies as he may deem necessary to use such funds as have been, or may hereafter be, made available for the purpose of controlling white-pine blister rust, by preventing the spread to, and eliminating white-pine blister rust from, all forest lands, irrespective of the ownership thereof, when in the judgment of the Secretary of Agriculture the use of such funds on such lands is necessary in the control of the white-pine blister rust: *Provided*, That in the discretion of the Secretary of Agriculture no expenditures from funds provided under this authorization shall be made on private or State lands (except where such lands are intermingled with those which are federally owned and it is necessary in order to protect the property of the United States to work on those parts of the private or State-owned lands that immediately adjoin Federal lands) until a sum, or sums, at least equal to such expenditures shall have been appropriated, subscribed, or contributed

by State, county, or local authorities or by individuals or organizations concerned: *Provided further*, That no part of such appropriations shall be used to pay the cost or value of property injured or destroyed: *And provided further*, That any plan for the control and elimination of white-pine blister rust on lands owned by the United States or retained under restriction by the United States for Indian tribes and for individual Indians shall be subject to the approval of the Federal agency or Indian tribe having jurisdiction over such lands, and the Secretary of Agriculture may, in his discretion and out of any moneys made available under this section, make allocations to said Federal agencies in such amounts as he may deem necessary for white-pine blister-rust control and elimination on lands so held or owned by the United States, the moneys so allocated to be expended by said agencies for the purposes specified. (Apr. 26, 1940, ch. 159, 54 Stat. 168.)

§ 604. Cutting timber on certain mineral lands; permits to corporations; railroad corporations.—All citizens of the United States and other persons, bona fide residents of the States of Colorado, Nevada, New Mexico, Arizona, Utah, Wyoming, North Dakota, South Dakota, Idaho, or Montana, and all other mineral districts of the United States, are authorized and permitted to fell and remove, for building, agricultural, mining, or other domestic purposes, any timber or other trees growing or being on the public lands, said lands being mineral, and not subject to entry under existing laws of the United States, except for mineral entry, in said States or districts of which such citizens or persons may be at the time bona fide residents, subject to such rules and regulations as the Secretary of the Interior may prescribe for the protection of the timber and of the undergrowth growing upon such lands, and for other purposes. It shall be lawful for the Secretary of the Interior to grant permits in accordance with the provisions of this section, to corporations incorporated under a Federal law of the United States or incorporated under the laws of a State or Territory of the United States, other than the State in which the privilege is requested. Such permits to confer the same rights and benefits upon such corporations as are conferred upon corporations incorporated in the State in which the privilege is to be exercised, but all such corporations shall first have complied with the laws of that State so as to entitle them to do business therein. The provisions of this section and sections 605 and 606 of this title shall not extend to railroad corporations. (June 3, 1878, ch. 150, § 1, 20 Stat. 88; Jan. 11, 1921, ch. 22, 41 Stat. 1088.)

§ 605. Same; notice to Commissioner of General Land Office of unlawful cutting.—It shall be the duty of the register and the receiver of any local land office in whose district any mineral land may be situated to ascertain from time to time whether any timber is being cut or used upon any such lands, except for the purposes authorized by section 604 of this title, within their respective land districts; and, if so, they shall immediately notify the Commissioner of the General Land Office of that fact; and all

necessary expenses incurred in making such proper examinations shall be paid and allowed such register and receiver in making up their next quarterly accounts. (June 3, 1878, ch. 150, § 2, 20 Stat. 88.)

§ 606. Same; offenses; punishment.—Any person or persons who shall violate the provisions of sections 604 and 605 of this title, or any rules and regulations in pursuance thereof made by the Secretary of the Interior, shall be deemed guilty of a misdemeanor, and, upon conviction, shall be fined in any sum not exceeding \$500, and to which may be added imprisonment for any term not exceeding six months. (June 3, 1878, ch. 150, § 3, 20 Stat. 89.)

§ 607. Cutting and removal of timber on certain public lands for certain purposes.—In the States of Colorado, Montana, Idaho, North Dakota, and South Dakota, Wyoming, New Mexico, and Arizona, and the Territory of Alaska, and the gold and silver regions of Nevada, California, Oregon, Washington, and Utah in any criminal prosecution or civil action by the United States for a trespass on such public timber lands or to recover timber or lumber cut thereon it shall be a defense if the defendant shall show that the said timber was so cut or removed from the timber lands for use in such State or Territory by a resident thereof for agricultural, mining, and manufacturing, or domestic purposes under rules and regulations made and prescribed by the Secretary of the Interior and has not been transported out of the same, but nothing herein contained shall operate to enlarge the rights of any railway company to cut timber on the public domain. The Secretary of the Interior may make suitable rules and regulations to carry out the provisions of this section, and he may designate the sections or tracts of land where timber may be cut, and it shall not be lawful to cut or remove any timber except as may be prescribed by such rules and regulations, but this section shall not operate to repeal sections 604-606 of this title. (Mar. 3, 1891, ch. 559, 26 Stat. 1093; Mar. 3, 1891, ch. 561, § 8, 26 Stat. 1099; Feb. 13, 1893, ch. 103; 27 Stat. 444; July 1, 1898, ch. 546, § 1, 30 Stat. 618; Mar. 3, 1901, ch. 855, 31 Stat. 1436; Mar. 3, 1901, ch. 862, 31 Stat. 1439.)

§ 608. Permits to cut and remove timber; citizens of Malheur County, Oregon.—It shall be lawful for the Secretary of the Interior to grant permits under the provisions of section 607 of this title to citizens of Malheur County, Oregon, to cut timber in the State of Idaho for agriculture, mining, or other domestic purposes, and to remove the timber so cut to Malheur County, State of Oregon. (Mar. 3, 1919, ch. 111, 40 Stat. 1321.)

§ 609. Same; citizens of Modoc County, California.—It shall be lawful for the Secretary of the Interior to grant permits under the provisions of section 607 of this title, to citizens of Modoc County, California, to cut timber in the State of Nevada for agricultural, mining, or other domestic purposes, and to remove the timber so cut to Modoc County, State of California. (Mar. 3, 1919, ch. 115, 40 Stat. 1322.)

§ 610. Same; citizens of Washington County and Kane County, Utah.—It shall be lawful for the Secretary of the Interior to grant permits under the provisions of section 607 of this title, to citizens of Washington County and of Kane County, Utah, to cut timber on the public lands of the counties of Mohave and Coconino, Arizona, for agricultural, mining, or other domestic purposes, and remove the timber so cut to said Washington County and Kane County, Utah. (Feb. 27, 1922, ch. 82, 42 Stat. 398.)

§ 611. Same; citizens of Idaho and Wyoming.—It shall be lawful for the Secretary of the Interior to grant permits under the provisions of section 607 of this title, to citizens of Idaho and Wyoming to cut timber in the State of Wyoming west of the Continental Divide on the Snake River and its tributaries to the boundary line of Idaho, for agricultural, mining, or other domestic purposes, and to remove the timber so cut to the State of Idaho. (Mar. 3, 1891, ch. 561, § 8, 26 Stat. 1099; July 1, 1898, ch. 546, § 1, 30 Stat. 618.)

§ 613. Same; limitations of use of timber taken not to apply to certain territory.—The provisions of section 607 of this title, limiting the use of timber taken from public lands to residents of the State in which such timber is found, for use within said State, shall not apply to the south slope of Pryor Mountains, in the State of Montana, lying south of the Crow Reservation, west of the Big Horn River, and east of Sage Creek; but within the above-described boundaries the provisions of said section shall apply equally to the residents of the States of Wyoming and Montana and to the use of timber taken from the above-described tract in either of the above-named States. (Mar. 3, 1891, ch. 561, § 8, 26 Stat. 1099; Mar. 3, 1901, ch. 862, 31 Stat. 1439.)

§ 616. Exportation of timber cut on national forest or public land in Alaska.—Timber lawfully cut on any national forest, or on the public lands in Alaska, may be exported from the State or Territory where grown if, in the judgment of the Secretary of the department administering the national forests, or the public lands in Alaska, the supply of timber for local use will not be endangered thereby, and the respective Secretaries concerned are hereby authorized to issue rules and regulations to carry out the purposes of this section. (Apr. 12, 1926, ch. 117, 44 Stat. 242.)

GAME AND BIRD PRESERVES: PROTECTION

§ 675. Custer State Park Game Sanctuary; establishment.—There is designated as the Custer State Park Game Sanctuary such areas, not exceeding forty-six thousand acres, of the Harney National Forest, and adjoining or in the vicinity of the Custer State Park, in the State of South Dakota, as should, in the opinion of the President of the United States, be set aside for the protection of game animals and birds, and be recognized as a breeding place therefor. (June 5, 1920, ch. 247, § 1, 41 Stat. 986; June 7, 1924, ch. 324, 43 Stat. 632.)

§ 676. Same; hunting, etc. in; regulation; punishment.—Hunting, trapping, killing, or capturing of game animals and birds

upon the lands of the United States designated in section 675 of this title shall be unlawful, except under such regulations as may be prescribed from time to time by the Secretary of the Interior; and any person violating such regulations or the provisions of sections 675-678 of this title shall be deemed guilty of a misdemeanor, and shall, upon conviction in any United States court of competent jurisdiction, be fined in a sum not exceeding \$1,000, or be imprisoned for a period not exceeding one year, or shall suffer both fine and imprisonment, in the discretion of the court. It is the purpose of this section to protect from trespass the public lands of the United States and the game animals and birds which may be thereon, and not to interfere with the operation of the local game laws as affecting private or State lands. (June 5, 1920, ch. 247, §§ 2, 3, 41 Stat. 986; Reorg. Plan No. II, §§ 4 (f), eff. July 1, 1939, 4 Fed. Reg. 2731, 53 Stat. 1433.)

§ 677. **Same; inclosure.**—The State of South Dakota is hereby authorized and permitted to erect and maintain a good substantial fence, inclosing in whole or in part Custer State Park Game Sanctuary. The State shall erect and maintain such gates in this fence as may be required by the authorized agents of the Federal Government in administering this game sanctuary and the adjoining national forest lands, and may erect and maintain such additional inclosures as may be agreed upon with the Secretary of the Interior. The right of the State to maintain this fence shall continue so long as Custer State Park Game Sanctuary is also given similar protection by the laws of the State of South Dakota. (June 5, 1920, ch. 247, § 4, 41 Stat. 986; Reorg. Plan No. II, § 4 (f), eff. July 1, 1939, 4 Fed. Reg. 2731, 53 Stat. 1433.)

§ 678. **Same; exchange of lands with State of South Dakota.**—Upon recommendation of the Secretary of Agriculture, the Secretary of the Interior may patent to the State of South Dakota not to exceed one thousand six hundred acres of nonmineral national forest lands not otherwise appropriated or withdrawn within the areas of Custer State Park Game Sanctuary: *Provided*, That the State of South Dakota conveys to the Government good and sufficient title to other lands of equal value owned by the State and lying within the exterior boundaries of a national forest in the State of South Dakota and approved by the Secretary of Agriculture as equally desirable for national forest purposes, the lands thus conveyed to the Government to become a part of the national forest. This shall not operate to restrict any selection rights which the State may have or may be hereafter granted, excepting as to the specific lands conveyed to the Government under authority of this section. (June 5, 1920, ch. 247, § 5, 41 Stat. 986.)

§ 689. **Tahquitz National Game Preserve.**—There is hereby created within the San Bernardino National Forest in Riverside County, California, for the protection of game animals, and as the recognized breeding place therefor, the Tahquitz National Game Preserve, which shall include the following lands: Sections 28, 29, 30, 31, 32, 33, 34 and 35, township 3 south, range 3 east, San Bernardino meridian; sections 1, 2, 3, 4, 9, 10, 11, 12, 13, 14,

15, 16, 21, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35, and 36, township 4 south, range 3 east, San Bernardino meridian; and sections 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, and 24, township 5 south, range 3 east, San Bernardino meridian; but the establishment of this reservation shall not interfere with any existing right or withdrawals made prior to July 3, 1926: *Provided*, That all the land with ¹ the exterior boundary of the aforesaid tract shall first become the property of the United States.

That where the Government survey has not been completed the aforesaid description shall be deemed to refer to and be determined by lines projected from the official survey. (July 3, 1926, ch. 776, § 1, 44 Stat. 889.)

§ 689a. Same; other uses of land permitted.—The lands included in said game preserve shall continue to be parts of the national forest and nothing contained in sections 689-689d of this title shall prevent the Secretary of the Interior from permitting other uses of said lands under and in conformity with the laws and rules and regulations applicable thereto so far as any such use may be consistent with the purposes for which said game preserve is established. (July 3, 1926, ch. 776, § 2, 44 Stat. 889; Reorg. Plan No. II, § 4 (f), eff. July 1, 1939, 4 Fed. Reg. 2731, 53 Stat. 1433.)

§ 689b. Same; hunting, etc., prohibited; penalties.—On lands within the game preserve established in section 689 of this title, hunting, pursuing, poisoning, killing, or capturing by trapping, netting, or any other means, or attempting to hunt, pursue, kill, or capture any wild animals or birds for any purpose whatever upon the lands of the United States within the limits of said game preserve shall be unlawful except as provided in sections 689c, 689d of this title, and any person violating any provision of this section or any of the rules and regulations made under the provisions of sections 689-689d of this title shall be deemed guilty of a misdemeanor and shall, upon conviction in any United States court, be fined in a sum not exceeding \$500, or be imprisoned for a period not exceeding six months, or shall suffer both the fine and imprisonment, in the discretion of the court. (July 3, 1926, ch. 776, § 3, 44 Stat. 889.)

§ 689c. Same; rules and regulations; predatory animals.—The Secretary of the Interior shall execute the provisions of sections 689-689d of this title, and he is hereby authorized to make all needful rules and regulations for the administration of such game preserves in accordance with the purposes of said sections, including regulations for hunting, capturing, or killing predatory animals, such as wolves, coyotes, cougar, and other species destructive to livestock or wildlife within the limits of said game preserve. (July 3, 1926, ch. 776, § 4, 44 Stat. 889; Reorg. Plan No. II, § 4 (f), eff. July 1, 1939, 4 Fed. Reg. 2731, 53 Stat. 1433.)

§ 689d. Same; acceptance of title to privately owned lands.—The Secretary of the Interior is authorized in his discretion to accept, on behalf of the United States, title to any lands in private

¹ So in original. Probably should read "within".

ownership within the boundaries of the game preserve established hereby, and make exchange therefor under the provisions of section 485 of this title. (July 3, 1926, ch. 776, § 5, 44 Stat. 889; Reorg. Plan No. II, § 4 (f), eff. July 1, 1939, 4 Fed. Reg. 2731, 53 Stat. 1433.)

§ 692. Game sanctuaries or refuges in Ocala National Forest; creation.—The President of the United States is authorized to designate as game refuges such lands of the United States within the Ocala National Forest, in the State of Florida, as in his judgment should be set aside for the protection of game animals and birds, but it is not intended that the lands so designated shall cease to be parts of the national forest within which they are located, and the establishment of such game sanctuaries or refuges shall not prevent the Secretary of Agriculture from permitting other uses of the lands under and in conformity with the laws and regulations applicable thereto so far as such uses may be consistent with the purposes for which such game sanctuaries or refuges are established. (June 28, 1930, ch. 709, § 1, 46 Stat. 827.)

§ 692a. Same; unlawful acts; penalty.—When such game sanctuaries or refuges have been established as provided in section 692 of this title, the hunting, pursuing, poisoning, killing, or capturing by trapping, netting, or any other means, or attempting to hunt, pursue, kill, or capture any game animals or birds upon the lands of the United States within the limits of such game sanctuaries or refuges, except as provided in this section, shall be unlawful, and any person violating any of the provisions of this section, or any of the rules and regulations made thereunder, shall be deemed guilty of a misdemeanor and shall, upon conviction in any United States court, be fined in a sum not exceeding \$500 or imprisonment not more than six months, or both. (June 28, 1930, ch. 709, § 2, 46 Stat. 828.)

§ 693. Game sanctuaries and refuges in Ouachita National Forest.—For the purpose of providing breeding places and for the protection and administration of game animals, birds, and fish, the President of the United States is hereby authorized, upon the recommendation of the Secretary of the Interior, to establish by public proclamation certain specified areas within the Ouachita National Forest as game sanctuaries and refuges. (June 13, 1933, ch. 63, § 1, 48 Stat. 128; Reorg. Plan No. II, § 4 (f), eff. July 1, 1939, 4 Fed. Reg. 2731, 53 Stat. 1433.)

§ 693a. Same; rules and regulations; violations; penalties.—The Secretary of the Interior shall execute the provisions of this section and section 693, and he is hereby authorized to prescribe all general rules and regulations for the administration of such game sanctuaries and refuges, and violation of such rules and regulations shall be punished by fine of not more than \$500 or imprisonment for not more than six months or both. (June 13, 1933, ch. 63, § 2, 48 Stat. 128; Reorg. Plan No. II, § 4 (f), eff. July 1, 1939, 4 Fed. Reg. 2731, 53 Stat. 1433.)

§ 694. Fish and game sanctuaries in national forests; establishment by President.—For the purpose of providing breeding places for game birds, game animals, and fish on lands and waters in the national forests not chiefly suitable for agriculture, the President of the United States is hereby authorized, upon recommendation of the Secretary of the Interior and the Secretary of Commerce and with the approval of the State legislatures of the respective States in which said national forests are situated, to establish by public proclamation certain specified and limited areas within said forests as fish and game sanctuaries or refuges which shall be devoted to the increase of game birds, game animals, and fish of all kinds naturally adapted thereto, but it is not intended that the lands included in such fish and game sanctuaries or refuges shall cease to be parts of the national forests wherein they are located, and the establishment of such fish and game sanctuaries or refuges shall not prevent the Secretary of Agriculture from permitting other uses of the national forests under and in conformity with the laws and the rules and regulations applicable thereto so far as such uses may be consistent with the purposes for which such fish and game sanctuaries or refuges are authorized to be established. (Mar. 10, 1934, ch. 54, § 1, 48 Stat. 400; Reorg. Plan No. II, § 4 (f), eff. July 1, 1939, 4 Fed. Reg. 2731, 53 Stat. 1433.)

MIGRATORY BIRD CONSERVATION ACT

§ 715. Citation.—Sections 715-715d, 715e, 715f-715k, 715l-715r of this title shall be known by the short title of "Migratory Bird Conservation Act." (Feb. 18, 1929, ch. 257, § 1, 45 Stat. 1222.)

§ 715a. Migratory Bird Conservation Commission; creation; composition; duties; approval of areas of land and water recommended for purchase or rental.—A commission to be known as the Migratory Bird Conservation Commission, consisting of the Secretary of the Interior, as chairman, the Secretary of Commerce, the Secretary of Agriculture and two Members of the Senate, to be selected by the President of the Senate, and two Members of the House of Representatives to be selected by the Speaker, is hereby created and authorized to consider and pass upon any area of land, water, or land and water that may be recommended by the Secretary of the Interior for purchase or rental under sections 715-715d, 715e, 715f-715k, 715l-715r of this title, and to fix the price or prices at which such area may be purchased or rented; and no purchase or rental shall be made of any such area until it has been duly approved for purchase or rental by said commission. Any Member of the House of Representatives who is a member of the commission, if reelected to the succeeding Congress, may serve on the commission notwithstanding the expiration of a Congress. Any vacancy on the commission shall be filled in the same manner as the original appointment. The ranking officer of the branch or department of a State to which is committed the administration of its game laws, or his authorized representative, and in a State having no such branch or department, the governor thereof, or his authorized representative, shall be a member ex officio of said commission for the

purpose of considering and voting on all questions relating to the acquisition, under sections 715-715d, 715e, 715f-715k, 715l-715r of this title, of areas in his State. (Feb. 18, 1929, ch. 257, § 2, 45 Stat. 1222; Reorg. Plan No. II, § 4 (f), (h), eff. July 1, 1939, 4 Fed. Reg. 2731, 53 Stat. 1433, 1434.)

TRANSFER OF FUNCTIONS

Reorganization Plan No. II, § 4 (f) (h), cited to text, transferred the functions of the Secretary of Agriculture relating to the conservation of wildlife, game, and migratory birds to the Secretary of the Interior, and provided that the Secretary of the Interior should be chairman of the Migratory Bird Conservation Commission and that the Secretary of Agriculture should be a member thereof.

FISH AND WILDLIFE SERVICE

§ 744. Investigations; fish propagation; annual statement of expenditures; investigations of damages by predacious fishes; executive assistance.

* * * * *

The heads of the several executive departments shall cause to be rendered all necessary and practicable aid to the Director in the prosecution of his investigations and inquiries. (R. S. §§ 4396, 4397; Mar. 3, 1887, ch. 362, 24 Stat. 523; June 21, 1916, ch. 160; §§ 1, 2, 39 Stat. 232; Reorg. Plan No. III, § 3, eff. June 30, 1940, 5 Fed. Reg. 2108, 54 Stat. 1232.)

FEDERAL POWER ACT

§ 793. Federal Power Commission; detail of officers and employees from other departments.

* * * * *

The commission may request the President to detail an officer or officers from the Corps of Engineers, or other branches of the United States Army, to serve the commission as engineer officer or officers, or in any other capacity, in field work outside the seat of government, their duties to be prescribed by the commission; and such detail is hereby authorized. The President may also, at the request of the commission, detail, assign, or transfer to the commission, engineers in or under the Departments of the Interior or Agriculture for field work outside the seat of government under the direction of the commission.

* * * * *

(June 10, 1920, ch. 265, § 2, 41 Stat. 1063; June 23, 1930, ch. 572, § 1, 46 Stat. 798.)

§ 796. Words used in chapter defined.—The words defined in this section shall have the following meanings for purposes of this chapter, to wit:

(1) "public lands" means such lands and interest in lands owned by the United States as are subject to private appropriation and disposal under public land laws. It shall not include "reservations", as hereinafter defined;

(2) "reservations" means national forests, tribal lands embraced within Indian reservations, military reservations, and

other lands and interests in lands owned by the United States, and withdrawn, reserved, or withheld from private appropriation and disposal under the public land laws; also lands and interests in lands acquired and held for any any public purposes; but shall not include national monuments or national parks;

* * * * *

(June 10, 1920, ch. 285, § 3, 41 Stat. 1063; Aug. 26, 1935, ch. 687, title II, § 201, 49 Stat. 838.)

§ 797. **General powers of commission.**—The commission is hereby authorized and empowered—

* * * * *

(c) **Cooperation with executive departments; information and aid furnished commission.**—To cooperate with the executive departments and other agencies of State or National Governments in such investigations; and for such purpose the several departments and agencies of the National Government are authorized and directed upon the request of the commission, to furnish such records, papers, and information in their possession as may be requested by the commission, and temporarily to detail to the commission such officers or experts as may be necessary in such investigations.

* * * * *

(e) Issue of licenses for construction, and so forth, of dams, conduits, reservoirs, and so forth.

Provided, That licenses shall be issued within any reservation only after a finding by the commission that the license will not interfere or be inconsistent with the purpose for which such reservation was created or acquired, and shall be subject to and contain such conditions as the Secretary of the department under whose supervision such reservation falls shall deem necessary for the adequate protection and utilization of such reservations:

* * * * *

(June 10, 1920, ch. 285, § 4, 41 Stat. 1065; March 3, 1921, ch. 129, 41 Stat. 1353; June 23, 1930, ch. 572, § 2, 46 Stat. 798; Aug. 26, 1935, ch. 687, title II, § 202, 49 Stat. 839.)

TITLE 17—COPYRIGHTS

§ 7. **Copyright not to subsist in works in public domain, or published prior to July 1, 1909, and not already copyrighted, or Government publications; publication by Government of copyrighted material.**—No copyright shall subsist in the original text of any work which is in the public domain, or in any work which was published in this country or any foreign country prior to July 1, 1909, and has not been already copyrighted in the United States, or in any publication of the United States Government, or any reprint, in whole or in part, thereof. The publication or republication by the Government, either separately or in a public document, of any material in which copyright is subsisting shall not be taken to cause any abridgement or annulment of the copyright or to authorize any use or appropriation of such copyright material without the consent of the

copyright proprietor. (Mar. 4, 1909, ch. 320, §§ 7, 64, 35 Stat. 1077, 1088.)

TITLE 18—CRIMINAL CODE AND CRIMINAL PROCEDURE

OFFENSES AGAINST ELECTIVE FRANCHISE AND CIVIL RIGHTS OF CITIZENS

§ 53a. Unlawful searches by officer, agent or employee of United States.—Any officer, agent, or employee of the United States engaged in the enforcement of any law of the United States who shall search any private dwelling used and occupied as such dwelling without a warrant directing such search, or who, while engaged in such enforcement, shall without a search warrant maliciously and without reasonable cause search any other building or property, shall be guilty of a misdemeanor and upon conviction thereof shall be fined for a first offense not more than \$1,000, and for a subsequent offense not more than \$1,000, or imprisoned not more than one year, or both such fine and imprisonment: *Provided*, That nothing herein contained shall apply to any officer, agent, or employee of the United States serving a warrant of arrest, or arresting or attempting to arrest any person committing or attempting to commit an offense in the presence of such officer, agent, or employee, or who has committed, or who is suspected on reasonable grounds of having committed, a felony. (Aug. 27, 1935, ch. 740, § 201, 49 Stat. 877.)

§ 54. (Criminal Code, section 21.) Conspiring to prevent officer from performing duties.—If two or more persons in any State, Territory, or District conspire to prevent, by force, intimidation, or threat, any person from accepting or holding any office, trust, or place of confidence under the United States, or from discharging any duties thereof; or to induce by like means any officer of the United States to leave any State, Territory, District, or place, where his duties as an officer are required to be performed, or to injure him in his person or property on account of his lawful discharge of the duties of his office, or while engaged in the lawful discharge thereof, or to injure his property so as to molest, interrupt, hinder, or impede him in the discharge of his official duties, each of such persons shall be fined not more than \$5,000, or imprisoned not more than six years, or both. (Mar. 4, 1909, ch. 321, § 21, 35 Stat. 1092.)

DERIVATION

R. S. § 5518, which was revised from acts July 31, 1861, ch. 33, 12 Stat. 284; Apr. 20, 1871, ch. 22, 17 Stat. 13, and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

PERNICIOUS POLITICAL ACTIVITIES

§ 61. Intimidation and coercion of voters in elections of certain officers.—It shall be unlawful for any person to intimidate, threaten, or coerce, or to attempt to intimidate, threaten, or coerce, any other person for the purpose of interfering with the right of such other person to vote or to vote as he may choose, or of causing such other person to vote for, or not to vote for, any candidate for the office of President, Vice President,

Presidential elector, Member of the Senate, or Member of the House of Representatives at any election held solely or in part for the purpose of selecting a President, a Vice President, a Presidential elector, or any Member of the Senate or any Member of the House of Representatives, Delegates or Commissioners from the Territories and insular possessions. (Aug. 2, 1939, 11:50 a. m. E. S. T., ch. 410, § 1, 53 Stat. 1147.)

§ 61a. Administrative employees of United States or any State, use of official authority to influence elections.—It shall be unlawful for (1) any person employed in any administrative position by the United States, or by any department, independent agency, or other agency of the United States (including any corporation controlled by the United States or any agency thereof), or (2) any person employed in any administrative position by any State, by any political subdivision or municipality of any State, or by any agency of any State or any of its political subdivisions or municipalities (including any corporation controlled by any State or by any such political subdivision, municipality, or agency, and any corporation all of the capital stock of which is owned by any State or by any such political subdivision, municipality, or agency), in connection with any activity which is financed in whole or in part by loans or grants made by the United States, or by any such department, independent agency, or other agency of the United States, to use his official authority for the purpose of interfering with, or affecting, the election or the nomination of any candidate for the office of President, Vice President, Presidential elector, Member of the Senate, Member of the House of Representatives, or Delegate or Resident Commissioner from any Territory or insular possession. (Aug. 2, 1939, 11:50 a. m. E. S. T., ch. 410, § 2, 53 Stat. 1147; July 19, 1940, ch. 640, § 1, 54 Stat. 767.)

§ 61b. Political activity; promise of employment, compensation or other benefit.—It shall be unlawful for any person, directly or indirectly, to promise any employment, position, work, compensation, or other benefit, provided for or made possible in whole or in part by any Act of Congress, to any person as consideration, favor, or reward for any political activity or for the support of or opposition to any candidate or any political party in any election. (Aug. 2, 1939, 11:50 a. m. E. S. T., ch. 410, § 3, 53 Stat. 1147.)

§ 61c. Same; deprivation of employment, compensation or other benefit.—Except as may be required by the provisions of subsection (b), section 61h of this title, it shall be unlawful for any person to deprive, attempt to deprive, or threaten to deprive, by many means, any person of any employment, position, work, compensation, or other benefit provided for or made possible by any Act of Congress appropriating funds for work relief or relief purposes, on account of race, creed, color, or any political activity, support of, or opposition to any candidate or any political party in any election. (Aug. 2, 1939, 11:50 a. m. E. S. T., ch. 410, § 4, 53 Stat. 1147.)

§ 61d. Assessments; contributions; solicitation from benefit recipients.—It shall be unlawful for any person to solicit or receive or be in any manner concerned in soliciting or receiving any assessment, subscription, or contribution for any political purpose whatever from any person known by him to be entitled to or receiving compensation, employment, or other benefit provided for or made possible by any Act of Congress appropriating funds for work relief or relief purposes. (Aug. 2, 1939, 11:50 a. m. E. S. T., ch. 410, § 5, 53 Stat. 1148.)

§ 61e. List of benefit recipients; furnishing.—It shall be unlawful for any person for political purposes to furnish or to disclose, or to aid or assist in furnishing or disclosing, any list or names of persons receiving compensation, employment, or benefits provided for or made possible by any Act of Congress appropriating, or authorizing the appropriation of, funds for work relief or relief purposes, to a political candidate, committee, campaign manager, or to any person for delivery to a political candidate, committee, or campaign manager, and it shall be unlawful for any person to receive any such list or names for political purposes. (Aug. 2, 1939, 11:50 a. m. E. S. T., ch. 410, § 6, 53 Stat. 1148.)

§ 61f. Appropriations, official authority; use in coercing voters.—No part of any appropriation made by any Act, heretofore or hereafter enacted, making appropriations for work relief, relief, or otherwise to increase employment by providing loans and grants for public-works projects, shall be used for the purpose of, and no authority conferred by any such Act upon any person shall be exercised or administered for the purpose of, interfering with restraining, or coercing any individual in the exercise of his right to vote at any election. (Aug. 2, 1930, 11:50 a. m. E. S. T., ch. 410, § 7, 53 Stat. 1148.)

§ 61g. Penalties.—Any person who violates any of the provisions of sections 61-61f of this title upon conviction thereof shall be fined not more than \$1,000 or imprisoned for not more than one year, or both. (Aug. 2, 1939, 11:50 a. m. E. S. T., ch. 410, § 8, 53 Stat. 1148.)

§ 61h. Executive employees; use of official authority; political activity; penalties.—(a) It shall be unlawful for any person employed in the executive branch of the Federal Government, or any agency or department thereof, to use his official authority or influence for the purpose of interfering with an election or affecting the result thereof. No officer or employee in the executive branch of the Federal Government, or any agency or department thereof, except a part-time officer or part-time employee without compensation or with nominal compensation serving in connection with the existing war effort, other than in any capacity relating to the procurement or manufacture of war material shall take any active part in political management or in political campaigns. All such persons shall retain the right to vote as they may choose and to express their opinions on all political subjects and candidates. For the purposes of this section the term "officer" or "employee" shall not be construed to include (1) the President and Vice President of the United States; (2)

persons whose compensation is paid from the appropriation for the office of the President; (3) heads and assistant heads of executive departments; (4) officers who are appointed by the President, by and with the advice and consent of the Senate, and who determine policies to be pursued by the United States in its relations with foreign powers or in the Nation-wide administration of Federal Laws.

(b) Any person violating the provisions of this section shall be immediately removed from the position or office held by him, and thereafter no part of the funds appropriated by any Act of Congress for such position or office shall be used to pay the compensation of such person. (Aug. 2, 1939, 11:50 a. m. E. S. T., ch. 410, § 9, 53 Stat. 1148; July 19, 1940, ch. 640, § 2, 54 Stat. 767; Mar. 27, 1942, 3 p. m. E. S. T., ch. 199, title VIII, § 701, 56 Stat. 181.)

§ 61i. Federal employees; membership in political parties; penalties.—(1) It shall be unlawful for any person employed in any capacity by any agency of the Federal Government, whose compensation, or any part thereof, is paid from funds authorized or appropriated by any Act of Congress, to have membership in any political party or organization which advocates the overthrow of our constitutional form of government in the United States.

(2) Any person violating the provisions of this section shall be immediately removed from the position or office held by him, and thereafter no part of the funds appropriated by any Act of Congress for such position or office shall be used to pay the compensation of such person. (Aug. 2, 1939, 11:50 a. m. E. S. T., ch. 410, § 9A, 53 Stat. 1148.)

§ 61j. Effect on existing law.—The provisions of this subchapter shall be in addition to and not in substitution for any other provision of law. (Aug. 2, 1939, 11:50 a. m. E. S. T., ch. 410, § 10, 53 Stat. 1149; July 19, 1940, ch. 640, § 3, 54 Stat. 767.)

§ 61k. Separability clause.—If any provision of sections 61i-61k of this title, or the application of such provision to any person or circumstance, is held invalid, the remainder of said sections, and the application of such provision to other persons or circumstances, shall not be affected thereby. (Aug. 2, 1939, 11:50 a. m. E. S. T., ch. 410, § 11, 53 Stat. 1149.)

§61l. Employees of State or local agencies financed by loans or grants from United States.—(a) **Influencing elections; officer or employee defined.**—(a) No officer or employee of any State or local agency whose principal employment is in connection with any activity which is financed in whole or in part by loans or grants made by the United States or by any Federal agency shall (1) use his official authority or influence for the purpose of interfering with an election or a nomination for office, or affecting the result thereof, or (2) directly or indirectly coerce, attempt to coerce, command, or advise any other such officer or employee to pay, lend, or contribute any part of his salary or compensation or anything else of value to any party, committee, organization, agency, or person for political purposes. No such officer or employee shall take any active part in political management or in

political subjects and candidates. For the purposes of the second vote as they may choose and to express their opinions on all political subjects and candidates. For the purposes of the second sentence of this subsection, the term "officer or employee" shall not be construed to include (1) the Governor or the Lieutenant Governor of any State or any person who is authorized by law to act as Governor, or the mayor of any city; (2) duly elected heads of executive departments of any State or municipality who are not classified under a State or municipal merit or civil-service system; (3) officers holding elective offices.

(b) Investigations by Civil Service Commission; removal of employees; withholding grants from States.—(b) If any Federal agency charged with the duty of making any loan or grant of funds of the United States for use in any activity by any officer or employment, and shall by registered mail notify such officer cable has reason to believe that any such officer or employee has violated the provisions of such subsection, it shall make a report with respect thereto to the United States Civil Service Commission (hereinafter referred to as the "Commission"). Upon the receipt of any such report, or upon the receipt of any other information which seems to the Commission to warrant an investigation, the Commission shall fix a time and place for a hearing, and shall by registered mail send to the officer or employee charged with violation and to the State or local agency employing such officer or employee a notice setting forth a summary of the alleged violation and the time and place of such hearing. At such hearing (which shall be not earlier than ten days after the mailing of such notice) either the officer or employee or the State or local agency, or both, may appear with counsel and be heard. After such hearing, the Commission shall determine whether any violation of such subsection has occurred and whether such violation, if any, warrants the removal of the officer or employee by whom it was committed from his office or employment, and shall by registered mail notify such officer or employee and the appropriate State or local agency of such determination. If in any case the Commission finds that such officer or employee has not been removed from his office or employment within thirty days after notice of a determination by the Commission that such violation warrants his removal, or that he has been so removed and has subsequently (within a period of eighteen months) been appointed to any office or employment in any State or local agency in such State, the Commission shall make and certify to the appropriate Federal agency an order requiring it to withhold from its loans or grants to the State or local agency to which such notification was given an amount equal to two years' compensation at the rate such officer or employee was receiving at the time of such violation; except that in any case of such a subsequent appointment to a position in another State or local agency which receives loans or grants from any Federal agency, such order shall require the withholding of such amount from such other State or local agency: *Provided*, That in no event shall the Commission require any amount to be withheld from any loan or grant pledged by a State

or local agency as security for its bonds or notes if the withholding of such amount would jeopardize the payment of the principal or interest on such bonds or notes. Notice of any such order shall be sent by registered mail to the State or local agency from which such amount is ordered to be withheld. The Federal agency to which such order is certified shall, after such order becomes final, withhold such amount in accordance with the terms of such order. Except as provided in subsection (c), any determination or order of the Commission shall become final upon the expiration of thirty days after the mailing of notice of such determination or order.

(c) Court review of determination of Commission.—(c) Any party aggrieved by any determination or order of the Commission under subsection (b) may, within thirty days after the mailing of notice of such determination or order, institute proceedings for the review thereof by filing a written petition in the district court of the United States for the district in which such officer or employee resides; but the commencement of such proceedings shall not operate as a stay of such determination or order unless (1) it is specifically so ordered by the court, and (2) such officer or employee is suspended from his office or employment during the pendency of such proceedings. A copy of such petition shall forthwith be served upon the Commission, and thereupon the Commission shall certify and file in the court a transcript of the record upon which the determination or the order complained of was made. The review by the court shall be on the record entire, including all of the evidence taken on the hearing, and shall extend to questions of fact and questions of law. If application is made to the court for leave to adduce additional evidence, and it is shown to the satisfaction of the court that such additional evidence may materially affect the result of the proceedings and that there were reasonable grounds for failure to adduce such evidence in the hearing before the Commission, the court may direct such additional evidence to be taken before the Commission in such manner and upon such terms and conditions as to the court may seem proper. The Commission may modify its findings of fact or its determination or order by reason of the additional evidence so taken and shall file with the court such modified findings, determination, or order, and any such modified findings of fact, if supported by substantial evidence, shall be conclusive. The court shall affirm the Commission's determination or order, or its modified determination or order, if the court determines that the same is in accordance with law. If the court determines that any such determination or order, or modified determination or order, is not in accordance with law, the court shall remand the proceeding to the Commission with directions either to make such determination or order as the court shall determine to be in accordance with law or to take such further proceedings as, in the opinion of the court, the law requires. The judgment and decree of the court shall be final, subject to review by the appropriate circuit court of appeals as in other cases, and the judgment and decree of such circuit court of appeals shall be final, subject to review by

the Supreme Court of the United States on certiorari or certification as provided in sections 346 and 347 of Title 28. If any provision of this subsection is held to be invalid as applied to any party with respect to any determination or order of the Commission, such determination or order shall thereupon become final and effective as to such party in the same manner as if such provision had not been enacted.

(d) Rules and regulations; subpoena of witness and documentary evidence; depositions.—(d) The Commission is authorized to adopt such reasonable procedure and rules and regulations as it deems necessary to execute its functions under this section. The Civil Service Commission shall have power to require by subpoena the attendance and testimony of witnesses and the production of all documentary evidence relating to any matter pending as a result of this subchapter before the Commission. Any member of the Commission may sign subpoenas, and members of the Commission and its examiners when authorized by the Commission may administer oaths and affirmations, examine witnesses, and receive evidence. Such attendance of witnesses and the production of such documentary evidence may be required from any place in the United States at any designated place of hearing. In case of disobedience to a subpoena, the Commission may invoke the aid of any court of the United States in requiring the attendance and testimony of witnesses and the production of documentary evidence. Any of the district courts of the United States within the jurisdiction of which such inquiry is carried on may, in case of contumacy or refusal to obey a subpoena issued to any person, issue an order requiring such person to appear before the Commission, or to produce documentary evidence if so ordered, or to give evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. The Commission may order testimony to be taken by deposition in any proceeding or investigation, which as a result of this subchapter, is pending before the Commission at any stage of such proceeding or investigation. Such depositions may be taken before any person designated by the Commission and having power to administer oaths. Such testimony shall be reduced to writing by the person taking the deposition, or under his direction, and shall then be subscribed by the deponent. Any person may be compelled to appear and depose and to produce documentary evidence before the Commission as hereinbefore provided. No person shall be excused from attending and testifying or from producing documentary evidence or in obedience to a subpoena on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled to testify, or produce evidence, documentary or otherwise, before the Commission in obedience to a subpoena issued by it: *Provided*, That no person so testifying shall be exempt from prosecution and punishment for perjury committed in so testifying.

(e) Employees of agencies not financed by United States as exempt.—(e) The provisions of the first two sentences of subsection (a) of this section shall not apply to any officer or employee who exercises no functions in connection with any activity of a State or local agency which is financed in whole or in part by loans or grants made by the United States or by any Federal agency.

(f) Definitions.—(f) For the purposes of this section—

(1) The term "State or local agency" means the executive branch of any State, or of any municipality or other political subdivision of such State, or any agency or department thereof.

(2) The term "Federal agency" includes any executive department, independent establishment, or other agency of the United States (except a member bank of the Federal Reserve System). (Aug. 2, 1939, ch. 410, § 12, as added July 19, 1940, ch. 640, § 4, 54 Stat. 767.)

§ 61m. Financial aid to candidates—(a) Contributions.—(a) It is hereby declared to be a pernicious political activity, and it shall hereafter be unlawful, for any person, directly or indirectly, to make contributions in an aggregate amount in excess of \$5,000, during any calendar year, or in connection with any campaign for nomination or election, to or on behalf of any candidate for an elective Federal office (including the offices of President of the United States and Presidential and Vice Presidential electors), or to or on behalf of any committee or other organization engaged in furthering, advancing, or advocating the nomination or election of any candidate for any such office or the success of any national political party. This subsection shall not apply to contributions made to or by a State or local committee or other State or local organization.

(b) Definitions.—(b) For the purposes of this section—

(1) The term "person" includes an individual partnership, committee, association, corporation, and any other organization or group of persons.

(2) The term "contribution" includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution.

(c) Purchases where proceeds inure to benefit of candidate or political organization.—(c) It is further declared to be a pernicious political activity, and it shall hereafter be unlawful for any person, individual, partnership, committee, association, corporation, and any other organization or group of persons to purchase or buy any goods, commodities, advertising, or articles of any kind or description where the proceeds of such a purchase, or any portion thereof, shall directly or indirectly inure to the benefit of or for any candidate for an elective Federal office (including the offices of President of the United States, and Presidential and Vice Presidential electors) or any political committee or other political organization engaged in furthering, advancing, or advocating the nomination or election of any candidate for any such office or the success of any national political party: *Provided, That*

nothing in this sentence shall be construed to interfere with the usual and known business, trade, or profession of any candidate.

(d) Penalties.—(d) Any person who engages in a pernicious political activity in violation of any provision of this section, shall upon conviction thereof be fined not more than \$5,000 or imprisoned for not more than five years. In all cases of violations of this section by a partnership, committee, association, corporation, or other organization or group of persons, the officers, directors, or managing heads thereof who knowingly and willfully participate in such violation, shall be subject to punishment as herein provided.

(e) Existing laws as unaffected.—(e) Nothing in this section shall be construed to permit the making of any contribution which is prohibited by any provision of law in force on the date this section takes effect. Nothing in this subchapter shall be construed to alter or amend any provisions of sections 241-256 of Title 2, or any amendments thereto. (Aug. 2, 1939, ch. 410, § 13, added July 19, 1940, ch. 640, § 4, 54 Stat. 767.)

§ 61m-1. Same; persons or firms negotiating for or performing Government contracts.—(a) No person or firm entering into any contract with the United States or any department or agency thereof, either for the rendition of personal services or furnishing any material, supplies, or equipment to the United States or any department or agency thereof, or selling any land or building to the United States or any department or agency thereof, if payment for the performance of such contract or payment for such material, supplies, equipment, land, or building is to be made in whole or in part from funds appropriated by the Congress, shall, during the period of negotiation for, or performance under such contract or furnishing of material, supplies, equipment, land, or buildings, directly, or indirectly, make any contribution of money or any other thing of value, or promise expressly or impliedly to make any such contribution, to any political party, committee, or candidate for public office or to any person for any political purpose or use; nor shall any person knowingly solicit any such contribution from any such person or firm, for any such purpose during any such period. Any person who violates the provisions of this section shall, upon conviction thereof, be fined not more than \$5,000 or imprisoned not more than five years.

(b) Nothing in this section shall be construed to permit any action which is prohibited by any provision of law in force on the date this section takes effect. (July 19, 1940, ch. 640, § 5, 54 Stat. 772.)

SOURCE

This section was not enacted as part of the Hatch Political Activity Act.

§ 61n. District of Columbia employees as employees of United States.—For the purposes of this subchapter, persons employed in the government of the District of Columbia shall be deemed to be employed in the executive branch of the Government of the United States, except that for the purposes of the second sentence of section 61h (a) of this title the Commissioners and the Re-

corder of Deeds of the District of Columbia shall not be deemed to be officers or employees. (Aug. 2, 1939, ch. 410, § 14, as added July 19, 1940, ch. 640, § 4, 54 Stat. 767.)

§ 61o. Activities prohibited on part of civil-service employees as prohibited on part of other Government and State employees.—The provisions of this subchapter which prohibit persons to whom such provisions apply from taking any active part in political management or in political campaigns shall be deemed to prohibit the same activities on the part of such persons as the United States Civil Service Commission has heretofore determined are at the time this section takes effect prohibited on the part of employees in the classified civil service of the United States by the provisions of the civil-service rules prohibiting such employees from taking any active part in political management or in political campaigns. (Aug. 2, 1939, ch. 410, § 15, as added July 19, 1940, ch. 640, § 4, 54 Stat. 767.)

§ 61p. Political campaigns in localities where majority of voters are Government employees.—Whenever the United States Civil Service Commission determines that, by reason of special or unusual circumstances which exist in any municipality or other political subdivision, in the immediate vicinity of the National Capital in the States of Maryland and Virginia or in municipalities the majority of whose voters are employed by the Government of the United States, it is in the domestic interest of persons to whom the provisions of this subchapter are applicable, and who reside in such municipality or political subdivision, to permit such persons to take an active part in political management or in political campaigns involving such municipality or political subdivision, the Commission is authorized to promulgate regulations permitting such persons to take an active part in such political management and political campaigns to the extent the Commission deems to be in the domestic interest of such persons. (Aug. 2, 1939, ch. 410, § 16, as added July 19, 1940, ch. 640, § 4, 54 Stat. 767.)

§ 61q. State employees running for public office; resignation upon election.—Nothing in the second sentence of section 61l (a) of this title shall be construed to prevent or prohibit any officer or employee of a State or local agency (as defined in section 61l (f) from continuing, until the election in connection with which he was nominated, to be a bona fide candidate for election to any public office and from engaging in any political activity in furtherance of his candidacy for such public office, if (1) he was nominated before the date of the enactment of this subchapter, and (2) upon his election to such public office he resigns from the office or employment in which he was employed prior to his election, in a State or local agency (as defined in section 61l (f)). (Aug. 2, 1939, ch. 410, § 17, as added July 19, 1940, ch. 640, § 4, 54 Stat. 767.)

§ 61r. Elections not specifically identified with National or State issues or political parties.—Nothing in the second sentence of section 61l (a) of this title shall be construed to prevent or prohibit any person subject to the provisions of this subchapter

from engaging in any political activity (1) in connection with any election and the preceding campaign if none of the candidates is to be nominated or elected at such election as representing a party any of whose candidates for presidential elector received votes in the last preceding election at which presidential electors were selected, or (2) in connection with any question which is not specifically identified with any National or State political party. For the purposes of this section, questions relating to constitutional amendments, referendums, approval of municipal ordinances, and others of a similar character, shall not be deemed to be specifically identified with any National or State political party. (Aug. 2, 1939, ch. 410, § 18, as added July 19, 1940, ch. 640, § 4, 54 Stat. 767.)

OFFENSES AGAINST OPERATIONS OF GOVERNMENT

§ 61s. State defined.—As used in this subchapter, the term "State" means any State, Territory, or possession of the United States. (Aug. 2, 1939, ch. 410, § 19, as added July 19, 1940, ch. 640, § 4, 54 Stat. 767.)

§ 61t. Maximum contributions to and expenditures by political committees; penalties.—No political committee shall receive contributions aggregating more than \$3,000,000, or make expenditures aggregating more than \$3,000,000, during any calendar year. For the purposes of this section, any contributions received and any expenditures made on behalf of any political committee with the knowledge and consent of the chairman or treasurer of such committee shall be deemed to be received or made by such committee. Any violation of this section by any political committee shall be deemed also to be a violation of this section by the chairman and the treasurer of such committee and by any other person responsible for such violation. Terms used in this section shall have the meaning assigned to them in section 241 of Title 2, and the penalties provided in sections 241-256 of Title 2 shall apply to violations of this section. (Aug. 2, 1939, ch. 410, § 20, as added July 19, 1940, ch. 640, § 6, 54 Stat. 772.)

§ 61u. Activities of employees of educational and research institutions, etc.—Nothing in sections 61a, 61h (a) or 61h (b), or 61l of this title shall be deemed to prohibit or to make unlawful the doing of any act by any officer or employee of any educational or research institution, establishment, agency, or system which is supported in whole or in part by any State or political subdivision thereof, or by the District of Columbia or by any Territory or Territorial possession of the United States; or by any recognized religious, philanthropic, or cultural organization. (Aug. 2, 1939, ch. 410, § 21, added October 24, 1942, ch. 620, 56 Stat. 986.)

§ 72. (Criminal Code, section 28.) Making, forging, counterfeiting, or altering bonds, bids, or public records; transmitting such papers.—Whoever shall falsely make, alter, forge, or counterfeit, or cause or procure to be falsely made, altered, forged, or counterfeited, or willingly aid or assist in the false making altering, forging, or counterfeiting, any bond, bid, proposal, contract,

guarantee, security, official bond, public record, affidavit, or other writing for the purpose of defrauding the United States; or shall utter or publish as true, or cause to be uttered or published as true, or have in his possession with the intent to utter or publish as true, and such false, forged, altered, or counterfeited bond, bid, proposal, contract, guarantee, security, official bond, public record, affidavit, or other writing, for the purpose of defrauding the United States, knowing the same to be false, forged, altered, or counterfeited; or shall transmit to, or present at, or cause or procure to be transmitted to or presented at, the office of any officer of the United States, any such false, forged, altered, or counterfeited bond, bid, proposal, contract, guarantee, security, official bond, public record, affidavit, or other writing, knowing the same to be false, forged, altered, or counterfeited, for the purpose of defrauding the United States, shall be fined not more than \$1,000 or imprisoned not more than ten years, or both. (Mar. 4, 1909, ch. 321, § 28, 35 Stat. 1094.)

DERIVATION

R. S. § 5418, which was revised from act Apr. 5, 1866, ch. 24, 14 Stat. 12 and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

R. S. § 5479, which was revised from act June 8, 1872, ch. 335, 17 Stat. 294, R. S. § 5479 was amended by act Feb. 27, 1877, ch. 69, 19 Stat. 253 and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 73. (Criminal Code, section 29.) Making, forging, counterfeiting, or altering deeds or powers of attorneys; transmitting such papers.—Whoever shall falsely make, alter, forge, or counterfeit, or cause or procure to be falsely made, altered, forged, or counterfeited, or willingly aid or assist in the false making, altering, forging, or counterfeiting, any deed, power of attorney, order, certificate, receipt, contract, or other writing, for the purpose of obtaining or receiving, or of enabling any other person, either directly or indirectly, to obtain or receive, from the United States, or any of their officers or agents, any sum of money; or whoever shall utter or publish as true, or cause to be uttered or published as true, any such false, forged, altered, or counterfeited deed, power of attorney, order, certificate, receipt, contract, or other writing, with intent to defraud the United States, knowing the same to be false, altered, forged, or counterfeited; or whoever shall transmit to or present at, or cause or procure to be transmitted to or presented at, any office or officer of the Government of the United States, any deed, power of attorney, order, certificate, receipt, contract, or other writing, in support of or in relation to any account or claim, with intent to defraud the United States, knowing the same to be false, altered, forged, or counterfeited, shall be fined not more than \$1,000 and imprisoned not more than ten years. (Mar. 4, 1909, ch. 321, § 29, 35 Stat. 1094.)

DERIVATION

R. S. § 5421, which was revised from act Mar. 3, 1823, ch. 38, 3 Stat. 771, and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 74. (Criminal Code, section 30.) Possession of false papers.—Whoever, knowingly and with intent to defraud the United States, shall have in his possession any false, altered, forged, or counter-

feited deed, power or attorney, order, certificate, receipt, contract, or other writing, for the purpose of enabling another to obtain from the United States, or from any officer or agent thereof, any sum of money, shall be fined not more than \$500 or imprisoned not more than five years, or both. (Mar. 4, 1909, ch. 321, § 30, 35 Stat. 1094.)

DERIVATION

R. S. § 5422, which was revised from act Mar. 3, 1823, ch. 38, 3 Stat. 772, and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 75. (Criminal Code, section 31.) Officer making false acknowledgments.—Whoever, being an officer authorized to administer oaths or to take and certify acknowledgments, shall knowingly make any false acknowledgment, certificate, or statement concerning the appearance before him or the taking of an oath or affirmation by any person with respect to any proposal, contract, bond, undertaking, or other matter submitted to, made with, or taken on behalf of the United States, and concerning which an oath or affirmation is required by law or regulation made in pursuance of law, or with respect to the financial standing of any principal, surety, or other party to any such proposal, contract, bond, undertaking, or other instrument, shall be fined not more than \$2,000 or imprisoned not more than two years, or both. (Mar. 4, 1909, ch. 321, § 31, 35 Stat. 1094.)

§ 76. (Criminal Code, section 32.) Falsely pretending to be United States officer.—Whoever, with intent to defraud either the United States or any person, shall falsely assume or pretend to be an officer or employee acting under the authority of the United States, or any department, or any officer of the Government thereof, or under the authority of any corporation owned or controlled by the United States, and shall take upon himself to act as such, or shall in such pretended character demand or obtain from any person or from the United States, or any department, or any officer of the Government thereof, or any corporation owned or controlled by the United States, any money, paper, document, or other valuable thing, shall be fined not more than \$1,000 or imprisoned not more than three years, or both. (Apr. 18, 1884, ch. 26, 23 Stat. 11; Mar. 4, 1909, ch. 321, § 32, 35 Stat. 1095; Feb. 28, 1938, ch. 37, 52 Stat. 83.)

DERIVATION

Act Apr. 18, 1884, ch. 26, 23 Stat. 11, which was repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 76a. Prohibition of reproduction of official badges, identification cards, and other insignia.—Hereafter the manufacture, sale, or possession of any badge, identification card, or other insignia, of the design prescribed by the head of any department or independent office of the United States for use by any officer or subordinate thereof, or of any colorable imitation thereof, or the photographing, printing, or in any other manner making or executing any engraving, photograph, print, or impression in the likeness of any such badge, identification card, or other insignia, or of any colorable imitation thereof, is prohibited,

except when and as authorized under such regulations as may be prescribed by the head of the department or independent office of which such insignia indicates the wearer is an officer or subordinate. (June 29, 1932, ch. 306, § 1, 47 Stat. 342; May 22, 1939, ch. 141, 53 Stat. 752.)

§ 76b. Same; punishment.—Any person who offends against the provisions of section 76a of this title shall, upon conviction, be punished by a fine not exceeding \$250 or by imprisonment for not exceeding six months, or by both such fine and imprisonment. (June 29, 1932, ch. 306, § 2, 47 Stat. 342.)

§ 76c. Falsely pretending to be member or agent of 4-H clubs; fraudulent use of insignia or emblems.—It shall be unlawful for any person falsely and with intent to defraud to hold himself out as or represent or pretend himself to be a member of, associated with, or an agent or representative for the 4-H clubs, an organization established by the Extension Service of the United States Department of Agriculture and the land grant colleges, for any purpose whatsoever; or for any person with intent to defraud to wear or display the sign or emblem of said 4-H clubs or any insignia in colorable imitation thereof for the purpose of inducing the belief that he is a member of, associated with, or an agent or representative for said 4-H clubs. It shall be unlawful for any person other than said 4-H clubs and those duly authorized by them, the representatives of the United States Department of Agriculture, the land grant colleges, and persons authorized by the Secretary of Agriculture, to use within the territory of the United States of America and its exterior possessions, for the purpose of trade or as an advertisement to induce the sale of any article whatsoever or for any business or charitable purpose, the recognized emblem of said 4-H clubs, consisting of a green four-leaf clover with stem and the letter H in white or gold on each leaflet, or any sign, insignia, or symbol in colorable imitation thereof, or the words "4-H Club" or "4-H Clubs" or any combination of these or other words or characters in colorful imitation thereof. If any person violates any provision of sections 76a-76d of this title, he shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than \$300 or imprisoned not more than six months, or both, for each and every offense. (June 5, 1939, ch. 184, § 1, 53 Stat. 809.)

§ 76d. Same; "person" defined.—The term "person" includes individuals, partnerships, corporations, and associations. (June 5, 1939, ch. 184, § 2, 53 Stat. 809.)

§ 77a. Impersonating officer, agent or employee of United States and making arrest or search.—Whoever not being an officer, agent, employee of the United States shall falsely represent himself to be such officer, agent, or employee, and in such assumed character shall arrest or detain any person or shall in any manner search the person, buildings, or other property of any person, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more than \$1,000 or imprisoned for not more than one year, or by both

such fine and imprisonment. (Aug. 27, 1935, ch. 740, § 20, 49 Stat. 877.)

§ 78. Criminal Code, section 33.) False personation of holder of public stocks or pensioner.—Whoever shall falsely personate any true and lawful holder of any share or sum in the public stocks or debt of the United States, or any person entitled to any annuity, dividend, pension, prize money, wages, or other debt due from the United States, and, under color of such false personation, shall transfer or endeavor to transfer such public stock or any part thereof, or shall receive or endeavor to receive the money of such true and lawful holder thereof, or the money of any person really entitled to receive such annuity, dividend, pension, prize money, wages, or other debt, shall be fined not more than \$5,000 and imprisoned not more than ten years. (Mar. 4, 1909, ch. 321, § 33, 35 Stat. 1095.)

DERIVATION

R. S. § 5435, which was revised from act Mar. 3, 1825, ch. 65, 4 Stat. 120, and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 79. (Criminal Code, section 34.) False demand on fraudulent power of attorney.—Whoever shall knowingly or fraudulently demand or endeavor to obtain any share or sum in the public stocks of the United States, or to have any part thereof transferred, assigned, sold, or conveyed, or to have any annuity, dividend, pension, prize money, wages, or other debt due from the United States, or any part thereof, received, or paid by virtue of any false, forged, or counterfeited power of attorney, authority, or instrument, shall be fined not more than \$5,000 and imprisoned not more than ten years. (Mar. 4, 1909, ch. 321, § 34, 35 Stat. 1095.)

DERIVATION

R. S. § 5436, which was revised from act Mar. 3, 1825, ch. 65, 4 Stat. 120, and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 80. (Criminal Code, section 35 (A).) Presenting false claims.—Whoever shall make or cause to be made or present or cause to be presented, for payment or approval, to or by any person or officer in the civil, military, or naval service of the United States, or any department thereof, or any corporation in which the United States of America is a stockholder, any claim upon or against the Government of the United States, or any department or officer thereof, or any corporation in which the United States of America is a stockholder, knowing such claim to be false, fictitious, or fraudulent; or whoever shall knowingly and willfully falsify or conceal or cover up by any trick, scheme, or device a material fact, or make or cause to be made any false or fraudulent statements or representations, or make or use or cause to be made or used any false bill, receipt, voucher, roll, account, claim, certificate, affidavit, or deposition, knowing the same to contain any fraudulent or fictitious statement or entry in any matter within the jurisdiction of any department or agency of the United States or of any corporation in which the United States of America is a stockholder, shall be fined not more than

\$10,000 or imprisoned not more than ten years, or both. (Mar. 4, 1909, ch. 321, § 35, 35 Stat. 1095; Oct. 23, 1918, ch. 194, 40 Stat. 1015; June 18, 1934, ch. 587, 48 Stat. 996; Apr. 4, 1938, ch. 69, 52 Stat. 197.)

DERIVATION

R. S. § 5438, as amended by act May 30, 1908, ch. 235, 35 Stat. 555, which was revised from act Mar. 2, 1863, ch. 67, 12 Stat. 696, 698, and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 82. (Criminal Code, section 35 (C).) Purloining, stealing, or injuring property of United States or property manufactured under contract for War or Navy Departments.—Whoever shall take and carry away or take for his use, or for the use of another, with intent to steal or purloin, or shall willfully injure or commit any depredation against, any property of the United States, or any branch or department thereof, or any corporation in which the United States of America is a stockholder, or any property which has been or is being made, manufactured, or constructed under contract for the War or Navy Departments of the United States, shall be punished as follows: If the value of such property exceeds the sum of \$50, by a fine of not more than \$10,000 or imprisonment for not more than ten years, or both; if the value of such property does not exceed the sum of \$50, by a fine of not more than \$1,000 or by imprisonment in a jail for not more than one year, or both. Value, as used in this section, shall mean market value or cost price, either wholesale or retail, whichever shall be the greater. (Mar. 4, 1909, ch. 321, § 35, 35 Stat. 1095; Oct. 23, 1918, ch. 194, 40 Stat. 1015; June 18, 1934, ch. 587, 48 Stat. 996; April 4, 1938, ch. 69, 52 Stat. 197.)

DERIVATION

R. S. § 5438, as amended by act May 30, 1908, ch. 235, 35 Stat. 555, which was revised from act Mar. 2, 1863, ch. 67, 12 Stat. 696, 698, and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 83. (Criminal Code, section 35 (A).) Conspiracy to defraud United States in regard to allowance or payment of false claims.—Whoever shall enter into any agreement, combination, or conspiracy to defraud the Government of the United States, or any department or officer thereof, or any corporation in which the United States of America is a stockholder, by obtaining or aiding to obtain the payment or allowance of any false or fraudulent claim, shall be fined not more than \$10,000 or imprisoned not more than ten years, or both. (Mar. 4, 1909, ch. 321, § 35, 35 Stat. 1095; Oct. 23, 1918, ch. 194, 40 Stat. 1015; June 18, 1934, ch. 587, 48 Stat. 996; Apr. 4, 1938, ch. 69, 52 Stat. 197.)

DERIVATION

R. S. § 5438, as amended by act May 30, 1908, ch. 235, 35 Stat. 555, which was revised from act Mar. 2, 1863, ch. 67, 12 Stat. 696, 698, and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 88. (Criminal Code, section 37.) Conspiring to commit offense against United States.—If two or more persons conspire either to commit any offense against the United States, or to defraud the United States in any manner or for any purpose, and one or

more of such parties do any act to effect the object of the conspiracy, each of the parties to such conspiracy shall be fined not more than \$10,000, or imprisoned not more than two years, or both. (Mar. 4, 1909, ch. 321, § 37, 35 Stat. 1096.)

DERIVATION

R. S. § 5440, as amended by act May 17, 1879, ch. 8, 21 Stat. 4, which was revised from act Mar. 2, 1867, ch. 169, 14 Stat. 484, and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 91. (Criminal Code, section 39.) Bribery of United States officer.—Whoever shall promise, offer, or give, or cause or procure to be promised, offered, or given, any money or other thing of value, or shall make or tender any contract, undertaking, obligation, gratuity, or security for the payment of money, or for the delivery or conveyance of anything of value, to any officer of the United States, or to any person acting for or on behalf of the United States in any official function, under or by authority of any department or office of the Government thereof, or to any officer or person acting for or on behalf of either House of Congress, or of any committee of either House, or both Houses thereof, with intent to influence his decision or action on any question, matter, cause, or proceeding which may at any time be pending, or which may by law be brought before him in his official capacity, or in his place of trust or profit, or with intent to influence him to commit or aid in committing, or to collude in, or allow, any fraud, or make opportunity for the commission of any fraud, on the United States, or to induce him to do or omit to do any act in violation of his lawful duty, shall be fined not more than three times the amount of money or value of the thing so offered, promised, given, made, or tendered, or caused or procured to be so offered, promised, given, made, or tendered, and imprisoned not more than three years. (Mar. 4, 1909, ch. 321, § 39, 35 Stat. 1096.)

DERIVATION

R. S. § 5451, which was revised from acts Feb. 26, 1853, ch. 81, 10 Stat. 171; Mar. 3, 1863, ch. 76, 12 Stat. 740; July 13, 1866, ch. 184, 14 Stat. 168; July 18, 1866, ch. 201, 14 Stat. 186, and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 92. (Criminal Code, section 40.) Unlawfully taking or using papers relating to claims.—Whoever shall take and carry away, without authority from the United States, from the place where it has been filed, lodged, or deposited, or where it may for the time being actually be kept by authority of the United States, any certificate, affidavit, deposition, written statement of facts, power of attorney, receipt, voucher, assignment, or other document, record, file, or paper, prepared, fitted, or intended to be used or presented in order to procure the payment of money from or by the United States, or any officer or agent thereof, or the allowance or payment of the whole or any part of any claim, account, or demand against the United States, whether the same has or has not already been so used or presented, and whether such claim, account, or demand, or any part thereof, has or has not already been allowed or paid; or whoever shall present, use, or

attempt to use, any such document, record, file, or paper so taken and carried away, in order to procure the payment of any money from or by the United States, or any officer or agent thereof, or the allowance or payment of the whole or any part of any claim, account, or demand against the United States, shall be fined not more than \$5,000, or imprisoned not more than ten years, or both. (Mar. 4, 1909, ch. 321, § 40, 35 Stat. 1096.)

DERIVATION

R. S. § 5454, which was revised from act Feb. 5, 1867, ch. 26, § 7, 14 Stat. 384, and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 93. (Criminal Code, section 41.) Interested persons acting as Government agencies.—No officer or agent of any corporation, joint-stock company, or association, and no member or agent of any firm, or person directly or indirectly interested in the pecuniary profits or contracts of such corporation, joint-stock company, association, or firm, shall be employed or shall act as an officer or agent of the United States for the transaction of business with such corporation, joint-stock company, association, or firm. Whoever shall violate the provision of this section shall be fined not more than \$2,000 and imprisoned not more than two years. (Mar. 4, 1909, ch. 321, § 41, 35 Stat. 1097.)

DERIVATION

R. S. § 1783, which was revised from act Mar. 2, 1863, ch. 67, 12 Stat. 698, and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 99. (Criminal Code, section 46.) Robbery of personal property of United States.—Whoever shall rob another of any kind or description of personal property belonging to the United States, or shall feloniously take and carry away the same, shall be fined not more than \$5,000, or imprisoned not more than ten years, or both. (Mar. 4, 1909, ch. 321, § 46, 35 Stat. 1097.)

DERIVATION

R. S. § 5456, which was revised from act Mar. 2, 1867, ch. 193, 14 Stat. 557 and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 100. (Criminal Code, section 47.) Embezzling public moneys or other property.—Whoever shall embezzle, steal, or purloin any money, property, record, voucher, or valuable thing whatever, of the moneys, goods, chattels, records, or property of the United States, shall be fined not more than \$5,000, or imprisoned not more than five years or both. (Mar. 4, 1909, ch. 321, § 47, 35 Stat. 1097.)

DERIVATION

Act Mar. 3, 1875, ch. 144, 18 Stat. 479, which was repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 101. (Criminal Code, section 48.) Receiving stolen public property.—Whoever shall receive, conceal, or aid in concealing, or shall have or retain in his possession with intent to convert to his own use or gain, any money, property, record, voucher, or valuable thing whatever, of the moneys, goods, chattels, records, or property of the United States, which has theretofore been embezzled, stolen, or purloined by any other person, knowing the

same to have been so embezzled, stolen, or purloined, shall be fined not more than \$5,000, or imprisoned not more than five years, or both; and such person may be tried either before or after the conviction of the principal offender. (Mar. 4, 1909, ch. 321, § 48, 35 Stat. 1098.)

DERIVATION

Act Mar. 3, 1875, ch. 144, § 2, 18 Stat. 479, which was repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 102. Stealing, defacing, etc., books, pamphlets, or manuscripts in Library of Congress or other public libraries.—Any person who shall steal, wrongfully deface, injure, mutilate, tear, or destroy any book, pamphlet, or manuscript, or any portion thereof, belonging to the Library of Congress, or to any public library in the District of Columbia, whether the property of the United States or of any individual or corporation in said district, or who shall steal, wrongfully deface, injure, mutilate, tear, or destroy any book, pamphlet, document, manuscript, print, engraving, medal, newspaper, or work of art, the property of the United States, shall be held guilty of a misdemeanor, and, on conviction thereof, shall, when the offense is not otherwise punishable by some statute of the United States, be punished by a fine not less than \$10 nor more than \$1,000, and by imprisonment for not less than one nor more than twelve months, or both, for every such offense. (June 19, 1878, ch. 317, 20 Stat. 171.)

§ 103. (Criminal Code, section 49.) Timber depredations on public lands; rights of entrymen.—Whoever shall cut, or cause or procure to be cut, or shall wantonly destroy, or cause to be wantonly destroyed, any timber growing on the public lands of the United States; or whoever shall remove, or cause to be removed, any timber from said public lands, with intent to export or to dispose of the same; or whoever, being the owner, master, or consignee of any vessel, or the owner, director, or agent of any railroad, shall knowingly transport any timber so cut or removed from said lands, or lumber manufactured therefrom, shall be fined not more than \$1,000, or imprisoned not more than one year, or both. Nothing in this section shall prevent any miner or agriculturist from clearing his land in the ordinary working of his mining claim, or in the preparation of his farm for tillage, or from taking the timber necessary to support his improvements, or the taking of timber for the use of the United States. And nothing in this section shall interfere with or take away any right or privilege under any existing law of the United States to cut or remove timber from any public lands. (Mar. 4, 1909, ch. 321, § 49, 35 Stat. 1098.)

DERIVATION

Act June 3, 1878, ch. 151, § 4, 20 Stat. 90, as amended by act Aug. 4, 1892, ch. 375, § 2, 27 Stat. 348, which was repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 104. (Criminal Code, section 50.) Timber depredations on public lands; Indian lands or trust allotments.—Whoever shall unlawfully cut, or aid in unlawfully cutting, or shall wantonly injure or destroy, or procure to be wantonly injured or destroyed,

any tree, growing, standing, or being upon any land of the United States which, in pursuance of law, has been reserved or purchased by the United States for any public use, or upon any Indian reservation, or lands belonging to or occupied by any tribe of Indians under the authority of the United States, or any Indian allotment while the title to the same shall be held in trust by the Government, or while the same shall remain inalienable by the allottee without the consent of the United States, shall be fined not more than \$500, or imprisoned not more than one year, or both. (Mar. 4, 1909, ch. 321, § 50, 35 Stat. 1098; June 25, 1910, ch. 431, § 6, 36 Stat. 857.)

DERIVATION

R. S. § 5388, as amended by act June 4, 1888, ch. 340, 25 Stat. 166, which was revised from act Mar. 3, 1859, ch. 78, 11 Stat. 408 and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

Act Mar. 3, 1875, ch. 151, § 1, 18 Stat. 481, which was repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 105. (Criminal Code, section 51.) Boxing trees for turpentine.—Whoever shall cut, chip, chop, or box any tree upon any lands belonging to the United States, or upon any lands covered by or embraced in any unperfected settlement, application, filing, entry, selection, or location, made under any law of the United States, for the purpose of obtaining from such tree any pitch, turpentine, or other substance, or shall knowingly encourage, cause, procure, or aid in the cutting, chipping, chopping, or boxing of any such tree, or shall buy, trade for, or in any manner acquire any pitch, turpentine, or other substance, or any article or commodity made from any such pitch, turpentine, or other substance, when he has knowledge that the same has been so unlawfully obtained from such trees, shall be fined not more than \$500, or imprisoned not more than one year, or both. (Mar. 4, 1909, ch. 321, § 51, 35 Stat. 1098.)

DERIVATION

Act June 4, 1906, ch. 2571, 34 Stat. 208, which was repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 106. (Criminal Code, section 52.) Setting fire to timber or other inflammable material on public, etc., lands.—Whoever shall willfully and without authority so to do set on fire or cause to be set on fire any timber, underbrush, or grass or other inflammable material upon the public domain or upon any lands owned or leased by or under the partial, concurrent, or exclusive jurisdiction of the United States which are included in a park, forest, monument, historical park, military park, battlefield site, parkway, recreational area, seashore, lake shore, cemetery, recreational demonstration project, wildlife refuge, grazing district, or stock driveway, or upon any land title to which was revested in the United States under the Act of June 9, 1916 (ch. 137, 39 Stat. 218), or upon any land reconveyed to the United States under the Act of February 26, 1919 (ch. 47, 40 Stat. 1179), or upon any lands owned by the United States and under the jurisdiction of the Forest Service or the Bureau of Animal Industry or administered under sections 1010-1012 of Title 7, or upon any lands under contract for purchase or for the acquisition of which con-

demnation proceedings have been instituted under sections 480, 500, 513-519, 521, 552, and 563 of Title 16, or sections 1010-1012 of Title 7, or under statutory authority for addition to a park or wildlife refuge or upon any Indian reservation or lands belonging to or occupied by any tribe or group of Indians under authority of the United States, or upon any Indian allotment while the title to the same shall be held in trust by the Government, or while the same shall remain inalienable by the allottee without the consent of the United States, unless an allottee sets or causes to be set any fire in the reasonable exercise of his proprietary rights in the allotment, shall be fined not more than \$5,000 or imprisoned not more than five years, or both. (Mar. 4, 1909, ch. 321, § 52, 35 Stat. 1098; Nov. 15, 1941, ch. 472, § 1, 55 Stat. 763.)

§ 107. (Criminal Code, section 53.) **Failure to extinguish fires built on public, etc., lands.**—Whoever shall build a fire or cause a fire to be built in or near any forest, timber, or other inflammable material upon any lands owned, controlled or leased by, or under the partial, concurrent, or exclusive jurisdiction of the United States, including lands under contract for purchase or for the acquisition of which condemnation proceedings have been instituted under sections 480, 500, 513-519, 521, 552, and 563 of Title 16, or under sections 1010-1012 of Title 7, or under statutory authority for addition to a park or wildlife refuge, any Indian reservation, or lands belonging to or occupied by any tribe or group of Indians under the authority of the United States, or any Indian allotment while the title to the same shall be held in trust by the United States, or while the same shall remain inalienable by the allottee without the consent of the United States, shall, before leaving said fire, totally extinguish the same; and whoever shall neglect and omit totally to extinguish said fire or whoever shall permit or suffer said fire to burn or spread beyond his control or whoever shall leave or suffer said fire to burn unattended in such places, shall be fined not more than \$500 or imprisoned not more than six months without hard labor, or both. (Mar. 4, 1909, ch. 321, § 53, 35 Stat. 1098; June 25, 1910, ch. 431, § 6, 36 Stat. 857; Nov. 15, 1941, ch. 472, § 2, 55 Stat. 764.)

§ 109. (Criminal Code, section 55.) **Trespassing on Bull Run National Forest.**—Whoever, except forest rangers and other persons employed by the United States to protect the forest Federal and State officers in the discharge of their duties, and the employees of the water board of the city of Portland, State of Oregon, shall knowingly trespass upon any part of the reserve known as Bull Run National Forest, in the Cascade Mountains, in the State of Oregon, or shall enter thereon for the purpose of grazing stock, or shall engage in grazing stock thereon, or shall permit stock of any kind to graze thereon, shall be fined not more than \$500, or imprisoned not more than six months, or both. (Mar. 4, 1909, ch. 321, § 55, 35 Stat. 1099.)

DERIVATION

Act Apr. 28, 1904, ch. 1774, 33 Stat. 526, which was repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 110. (Criminal Code, section 56.) Breaking fences or driving cattle on inclosed public lands.—Whoever shall knowingly and unlawfully break, open, or destroy any gate, fence, hedge, or wall inclosing any lands of the United States which, in pursuance of any law, have been reserved or purchased by the United States for any public use; or whoever shall drive any cattle, horses, hogs, or other livestock upon any such lands for the purpose of destroying the grass or trees on said lands, or where they may destroy the said grass or trees; or whoever shall knowingly permit his cattle, horses, hogs or other livestock, to enter through any such inclosure upon any such lands of the United States, where such cattle, horses, hogs, or other livestock may or can destroy the grass or trees or other property of the United States on the said lands, shall be fined not more than \$500, or imprisoned not more than one year, or both. Nothing in this section shall be construed to apply to unreserved public lands. (Mar. 4, 1909, ch. 321, § 56, 35 Stat. 1099.)

DERIVATION

Act Mar. 3, 1875, ch. 151, §§ 2, 3, 18 Stat. 481, 482, which was repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 111. (Criminal Code, section 57.) Injuring or removing survey marks.—Whoever shall willfully destroy, deface, change, or remove to another place any section corner, quarter-section corner, or meander post, on any Government line of survey, or shall willfully cut down any witness tree or any tree blazed to mark the line of a Government survey, or shall willfully deface, change, or remove any monument or bench mark of any Government survey, shall be fined not more than \$250, or imprisoned not more than six months, or both. (Mar. 4, 1909, ch. 321, § 57, 35 Stat. 1099.)

DERIVATION

Act June 10, 1896, ch. 398, § 1, 29 Stat. 343, which was repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 116. (Criminal Code, section 60.) Injuries to telegraph lines.—Whoever shall willfully or maliciously injure or destroy any of the works, property, or material of any telegraph, telephone, or cable line, or system, operated or controlled by the United States, whether constructed or in process of construction, or shall willfully or maliciously interfere in any way with the working or use of any such line, or system, or shall willfully or maliciously obstruct, hinder, or delay the transmission of any communication over any such line, or system, shall be fined not more than \$1,000, or imprisoned not more than three years, or both. (Mar. 4, 1909, ch. 321, § 60, 35 Stat. 1099.)

DERIVATION

Act June 23, 1874, ch. 461, 18 Stat. 250, which was repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 117. (Criminal Code, section 61.) Counterfeiting weather forecasts.—Whoever shall knowingly issue or publish any counterfeit weather forecast or warning of weather conditions falsely representing such forecast or warning to have been issued or

published by the Weather Bureau, United States Signal Service, or other branch of the Government service, shall be fined not more than \$500, or imprisoned not more than ninety days, or both. (Mar. 4, 1909, ch. 321, § 61, 35 Stat. 1100.)

DERIVATION

Acts Aug. 8, 1894, ch. 238, 28 Stat. 274; Mar. 2, 1895, ch. 169, 28 Stat. 737; Apr. 25, 1896, ch. 140, 29 Stat. 108; act Mar. 3, 1905, ch. 1405, 33 Stat. 864, which were repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 118. (Criminal Code, section 62.) Molesting Animal Industry employees; using deadly weapon.—Whoever shall forcibly assault, resist, oppose, prevent, impede, or interfere with any officer or employee of the Bureau of Animal Industry of the Department of Agriculture in the execution of his duties, or on account of the execution of his duties, shall be fined not more than \$1,000, or imprisoned not more than one year, or both; and whoever shall use any deadly or dangerous weapon in resisting any officer or employee of the Bureau of Animal Industry of the Department of Agriculture in the execution of his duties, with intent to commit a bodily injury upon him or to deter or prevent him from discharging his duties, or on account of the performance of his duties, shall be fined not more than \$1,000, or imprisoned not more than five years, or both. (Mar. 4, 1909, ch. 321, § 62, 35 Stat. 1100.)

DERIVATION

Act Mar. 3, 1905, ch. 1496, § 5, 33 Stat. 1265, which though not specifically repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153, was impliedly repealed by its incorporation in this section.

§ 130. Counterfeiting Government seal; fraudulently or wrongfully affixing seal of executive departments to certificate or instrument or wrongfully using such certificate or instrument.—Whoever shall fraudulently or wrongfully affix or impress the seal of any executive department, or of any bureau, commission, or office of the United States, to or upon any certificate, instrument, commission, document, or paper of any description; or whoever, with knowledge of its fraudulent character, shall with wrongful or fraudulent intent use, buy, procure, sell, or transfer to another any such certificate, instrument, commission, document, or paper, to which or upon which said seal has been so fraudulently affixed or impressed, shall be fined not more than \$5,000 or imprisoned not more than five years, or both. (June 15, 1917, ch. 30, title X, § 1, 40 Stat. 227.)

CROSS REFERENCE

Jurisdiction of offenses under this section, see section 574 of this title.

§ 131. Falsely making or forging seal of executive department.—Whoever shall falsely make, forge, counterfeit, mutilate, or alter, or cause or procure to be made, forged, counterfeited, mutilated, or altered, or shall willingly assist in falsely making, forging, counterfeiting, mutilating, or altering the seal of any executive department, or any bureau, commission, or office of the United States, or whoever shall knowingly use, affix, or impress any such fraudulently made, forged, counterfeited, mutilated, or

altered seal to or upon any certificate, instrument, commission, document, or paper, of any description, or whoever with wrongful or fraudulent intent shall have possession of any such falsely made, forged, counterfeited, mutilated, or altered seal, knowing same to have been so falsely made, forged, counterfeited, mutilated, or altered, shall be fined not more than \$5,000 or imprisoned not more than ten years, or both. (June 15, 1917, ch. 30, title X, § 2, 40 Stat. 228.)

§ 132. Falsely making or forging naval, military or official pass.—Whoever shall falsely make, forge, counterfeit, alter, or tamper with any naval, military, or official pass or permit, issued by or under the authority of the United States, or with wrongful or fraudulent intent shall use or have in his possession any such pass or permit, or shall personate or falsely represent himself to be or not to be a person to whom such pass or permit has been duly issued, or shall willfully allow any other person to have or use any such pass or permit, issued for his use alone, shall be fined not more than \$2,000 or imprisoned not more than five years, or both. (June 15, 1917, ch. 30, title X, § 3, 40 Stat. 228.)

§ 146. Counterfeiting, altering, or uttering Government transportation requests.—Whoever shall falsely make, forge, or counterfeit, or cause or procure to be falsely made, forged, or counterfeited, or shall willingly aid or assist in falsely making, forging, or counterfeiting, in whole or in part, any form or request in similitude of the form or request provided by the Government for requesting a common carrier to furnish transportation on account of the United States or any department or branch thereof, or shall knowingly alter, or cause or procure to be altered, or shall willingly aid or assist in so altering, any form or request provided by the Government for requesting a common carrier to furnish transportation on account of the United States or any department or branch thereof, or whoever shall knowingly pass, utter, publish, or sell, or attempt to pass, utter, publish, or sell, any such false, forged, counterfeited, or altered form or request, shall upon conviction be fined not more than \$5,000, or imprisoned not more than ten years, or both. (Dec. 11, 1926, ch. 2, § 1, 44 Stat. 917.)

§ 147. Same; possession of plates and use thereof; printing.—Whoever, except by lawful authority, shall have control, custody, or possession of any plate, stone, or other thing, or any part thereof, from which has been printed or may be printed any form or request for Government transportation, or shall use such plate, stone, or other thing, or knowingly permit or suffer the same to be used in making any such form or request or any part of such a form or request, or whoever shall make or engrave or cause or procure to be made or engraved, or shall assist in making or engraving, any plate, stone, or other thing, in the likeness of any plate, stone, or other thing designated for the printing of the genuine issues of the form or request for Government transportation; or whoever shall print, photograph, or in any other manner make, execute, or sell, or cause to be printed, photographed, made, executed, or sold, or shall aid in printing, photographing,

making, executing, or selling, any engraving, photograph, print, or impression in the likeness of any genuine form or request for Government transportation, or any part thereof; or whoever shall bring into the United States or any place subject to the jurisdiction thereof, any plate, stone, or other thing, or engraving, photograph, print, or other impression of the form or request for Government transportation, shall upon conviction be fined not more than \$5,000, or imprisoned not more than ten years, or both. (Dec. 11, 1926, ch. 2, § 2, 44 Stat. 918.)

§ 148. Same; detecting violations; use of Secret Service Division.—The Secretary of the Treasury is hereby authorized to direct and use the Secret Service Division of the Treasury Department to detect, arrest, and deliver into custody of the United States marshal having jurisdiction any person or persons violating any of the provisions of sections 146 and 147 of this title. (Dec. 11, 1926, ch. 2, § 3, 44 Stat. 918.)

§ 149. Payment made for influence exerted in procuring appointive public office prohibited.—It shall be unlawful to pay or offer or promise to pay any sum of money, or any other thing of value, to any person, firm, or corporation in consideration of the use or promise to use any influence, whatsoever, to procure any appointive office under the Government of the United States for any person whatsoever. (Dec. 11, 1926, ch. 3, § 1, 44 Stat. 918.)

§ 150. Payments received for influence exerted in obtaining appointive public office prohibited.—It shall be unlawful to solicit or receive from anyone whatsoever, either as a political contribution, or for personal emolument, any sum of money or thing of value, whatsoever, in consideration of the promise of support, or use of influence, or for the support or influence of the payee, in behalf of the person paying the money, or any other person, in obtaining any appointive office under the Government of the United States. (Dec. 11, 1926, ch. 3, § 2, 44 Stat. 918.)

§ 151. Punishment for violating provisions of sections 149 and 150.—Anyone convicted of violating sections 149 and 150 of this title shall be punished by imprisonment of not more than one year, or by a fine of not more than \$1,000, or by both such fine and imprisonment. (Dec. 11, 1926, ch. 3, § 3, 44 Stat. 918.)

OFFENSES RELATING TO OFFICIAL DUTIES

§ 171. (Criminal Code, section 85.) Extortion.—Every officer, clerk, agent, or employee of the United States, and every person representing himself to be or assuming to act as such officer, clerk, agent, or employee, who, under color of his office, clerkship, agency, or employment, or under color of his pretended or assumed office, clerkship, agency, or employment, is guilty of extortion, and every person who shall attempt any act which if performed would make him guilty of extortion, shall be fined not more than \$500 or imprisoned not more than one year, or both. (Mar. 4, 1909, ch. 321, § 85, 35 Stat. 1104.)

DERIVATION

R. S. § 5481, as amended by act June 28, 1906, ch. 3574, 34 Stat. 546, which was revised from act Mar. 3, 1825, ch. 65, 4 Stat. 118 and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 172. (Criminal Code, section 86.) Requiring receipts for larger sums than are paid.—Whoever, being an officer, clerk, agent, employee, or other person charged with the payment of any appropriation made by Congress, shall pay to any clerk or other employee of the United States a sum less than that provided by law, and require such employee to receipt or give a voucher for an amount greater than that actually paid to and received by him, is guilty of embezzlement, and shall be fined in double the amount so withheld from any employee of the Government and imprisoned not more than two years. (Mar. 4, 1909, ch. 321, § 86, 35 Stat. 1105.)

DERIVATION

R. S. § 5483, which was revised from act Mar. 3, 1853, ch. 104, 10 Stat. 239 and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 173. (Criminal Code, section 87.) Disbursing officers unlawfully using public money.—Whoever, being a disbursing officer of the United States, or a person acting as such, shall in any manner convert to his own use, or loan with or without interest, or deposit in any place or in any manner, except as authorized by law, any public money intrusted to him; or shall, for any purpose not prescribed by law, withdraw from the Treasurer or any authorized depository, or transfer, or apply, any portion of the public money intrusted to him, shall be deemed guilty of an embezzlement of the money so converted, loaned, deposited, withdrawn, transferred, or applied, and shall be fined not more than the amount embezzled or imprisoned not more than ten years, or both. (Mar. 4, 1909, ch. 321, § 87, 35 Stat. 1105; May 29, 1920, ch. 214, § 1, 41 Stat. 654.)

DERIVATION

R. S. § 5488, which was revised from act June 14, 1866, ch. 122, 14 Stat. 64 and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 175. (Criminal Code, section 89.) Unlawful use of public moneys by custodians.—Every officer or other person charged by any Act of Congress with the safe-keeping of the public moneys who shall loan, use, or convert to his own use, or shall deposit in any bank or exchange for other funds, except as specially allowed by law, any portion of the public moneys intrusted to him for safe-keeping, shall be guilty of embezzlement of the money so loaned, used, converted, deposited, or exchanged, and shall be fined in a sum equal to the amount of money so embezzled and imprisoned not more than ten years. (Mar. 4, 1909, ch. 321, § 89, 35 Stat. 1105.)

DERIVATION

R. S. § 5490, which was revised from act Aug. 6, 1846, ch. 90, 9 Stat. 63, and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 176. (Criminal Code, section 90.) Failure to render accounts.—Every officer or agent of the United States who, having received public money which he is not authorized to retain as salary, pay, or emolument, fails to render his accounts for the same as provided by law shall be deemed guilty of embezzlement and shall be fined in a sum equal to the amount of the money

embezzled and imprisoned not more than ten years. (Mar. 4, 1909, ch. 321, § 90, 35 Stat. 1105.)

DERIVATION

R. S. § 5491, which was revised from acts Aug. 6, 1846, ch. 90, 9 Stat. 63; July 17, 1862, ch. 199, 12 Stat. 593; Res. Mar. 2, 1867, No. 48, 14 Stat. 571; act July 15, 1870, ch. 295, 16 Stat. 334, and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 177. (Criminal Code, section 91.) Failure to deposit as required.—Whoever, having money of the United States in his possession or under his control, shall fail to deposit it with the Treasurer or some public depositary of the United States, when required so to do by the Secretary of the Treasury or the head of any other proper department, or by the General Accounting Office, shall be deemed guilty of embezzlement thereof and shall be fined in a sum equal to the amount of money embezzled and imprisoned not more than ten years. (Mar. 4, 1909, ch. 321, § 91, 35 Stat. 1105; May 29, 1920, ch. 214, § 1, 41 Stat. 654; June 10, 1921, ch. 18, § 304, 42 Stat. 24.)

DERIVATION

R. S. § 5492, which was revised from acts Aug. 6, 1846, ch. 90, 9 Stat. 63; Mar. 3, 1857, ch. 114, 11 Stat. 249, and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 178. (Criminal Code, section 92.) Persons affected.—The provisions of sections 173-177 of this title shall be construed to apply to all persons charged with the safe-keeping, transfer, or disbursement of the public money, whether such persons be indicted as receivers or depositaries of the same. (Mar. 4, 1909, ch. 321, § 92, 35 Stat. 1105.)

DERIVATION

R. S. § 5493, which was revised from act Aug. 6, 1846, ch. 90, 9 Stat. 63, and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 179. (Criminal Code, section 93.) Record evidence of embezzlement.—Upon the trial of any indictment against any person for embezzling public money under any provision of sections 173-178 of this title, it shall be sufficient evidence, prima facie, for the purpose of showing a balance against such person, to produce a transcript from the books and proceedings of the General Accounting Office, as required in civil cases, under the provisions for the settlement of accounts between the United States and receivers of public money. (Mar. 4, 1909, ch. 321, § 93, 35 Stat. 1105; June 10, 1921, ch. 18, § 304, 42 Stat. 24.)

DERIVATION

R. S. § 5494, which was revised from act Aug. 6, 1846, ch. 90, 9 Stat. 63 and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 180. (Criminal Code, section 94.) Prima facie evidence of embezzlement.—The refusal of any person, whether in or out of office, charged with the safe-keeping, transfer, or disbursement of the public money to pay any draft, order, or warrant, drawn upon him by the General Accounting Office, for any public money in his hands belonging to the United States, no matter in what capacity the same may have been received, or may be held, or to

transfer or disburse any such money, promptly, upon the legal requirement of any authorized officer, shall be deemed, upon the trial of any indictment against such person for embezzlement, *prima facie* evidence of such embezzlement. (Mar. 4, 1909, ch. 321, § 94, 35 Stat. 1106; June 10, 1921, ch. 18, § 304, 42 Stat. 24.)

DERIVATION

R. S. § 5495, which was revised from act Aug. 6, 1846, ch. 90, 9 Stat. 63 and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 181. (Criminal Code, section 95.) Evidence of conversion.—If any officer charged with the disbursement of the public moneys accepts, receives, or transmits to the General Accounting Office to be allowed in his favor any receipt or voucher from a creditor of the United States without having paid to such creditor in such funds as the officer received for disbursement, or in such funds as he may be authorized by law to take in exchange, the full amount specified in such receipt or voucher, every such act is an act of conversion by such officer to his own use of the amount specified in such receipt or voucher. (Mar. 4, 1909, ch. 321, § 95, 35 Stat. 1106; June 10, 1921, ch. 18, § 304, 42 Stat. 24.)

DERIVATION

R. S. § 5496, which was revised from act Aug. 6, 1846, ch. 90, 9 Stat. 63 and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 182. (Criminal Code, section 96.) Banker receiving unauthorized deposit of public money.—Every banker, broker, or other person not an authorized depository of public moneys, who shall knowingly receive from any disbursing officer, or collector of internal revenue, or other agent of the United States, any public money on deposit, or by way of loan or accommodation, with or without interest, or otherwise than in payment of a debt against the United States, or shall use, transfer, convert, appropriate, or apply any portion of the public money for any purpose not prescribed by law; and every president, cashier, teller, director, or other officer of any bank or banking association who shall violate any provision of this section is guilty of embezzlement of the public money so deposited, loaned, transferred, used, converted, appropriated, or applied, and shall be fined not more than the amount embezzled, or imprisoned not more than ten years, or both. (Mar. 4, 1909, ch. 321, § 96, 35 Stat. 1106.)

DERIVATION

R. S. § 5497, as amended by act Feb. 3, 1879, ch. 42, 20 Stat. 280, which was revised from act June 14, 1866, ch. 122, 14 Stat. 65 and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 183. (Criminal Code, section 97.) Embezzlement by internal revenue officer.—Any officer connected with, or employed in, the Internal Revenue Service of the United States, and any assistant of such officer, who shall embezzle or wrongfully convert to his own use any money or other property of the United States, and any officer of the United States, or any assistant of such officer, who shall embezzle or wrongfully convert to his own use any money or property which may have come into his possession or under his

control in the execution of such office or employment, or under color or claim of authority as such officer or assistant, whether the same shall be the money or property of the United States or of some other person or party, shall, where the offense is not otherwise punishable by some statute of the United States, be fined not more than the value of the money and property thus embezzled or converted, or imprisoned not more than ten years, or both. (Feb. 3, 1879, ch. 42, 20 Stat. 280 Mar. 4, 1909, ch. 321, § 97, 35 Stat. 1106.)

DERIVATION

R. S. § 5497, as amended by act Feb. 3, 1879, ch. 42, 20 Stat. 280, which was revised from act June 14, 1866, ch. 122, 14 Stat. 65 and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 184. (Criminal Code, section 98.) Officer contracting beyond specific appropriation.—Whoever, being an officer of the United States, shall knowingly contract for the erection, repair, or furnishing of any public building, or for any public improvement, to pay a larger amount than the specific sums appropriated for such purpose, shall be fined not more than \$2,000 and imprisoned not more than two years. (Mar. 4, 1909, ch. 321, § 98, 35 Stat. 1106.)

DERIVATION

R. S. § 5503, which was revised from act July 25, 1868, ch. 233, 15 Stat. 177 and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 188. (Criminal Code, section 101.) Failure to make returns or reports.—Every officer whom neglects or refuses to make any return or report which he is required to make at stated times by any Act of Congress or regulation of the Department of the Treasury, other than his accounts, within the time prescribed by such Act or regulation, shall be fined not more than \$1,000. (Mar. 4, 1909, ch. 321, § 101, 35 Stat. 1107.)

DERIVATION

R. S. § 1780, which was revised from act July 18, 1866, ch. 201, 14 Stat. 188 and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 189. False entries in accounts or records, or false reports of public or trustmoneys or securities.—Whoever, being an officer, clerk, agent, or other person holding any office or employment under the Government of the United States and, being charged with the duty of keeping accounts or records of any kind, shall, with intent to deceive, mislead, injure, or defraud the United States or any person, make in any such account or record any false or fictitious entry or record of any matter relating to or connected with his duties, or whoever with like intent shall aid or abet any such officer, clerk, agent, or other person in so doing; or whoever, being an officer, clerk, agent, or other person holding any office or employment under the Government of the United States and, being charged with the duty of receiving, holding, or paying over moneys or securities to, for, or on behalf of the United States, or of receiving or holding in trust for any person any moneys or securities, shall, with like intent, make a false report of such moneys or securities, or whoever with like intent

shall aid or abet any such officer, clerk, agent, or other person in so doing, shall be fined not more than \$5,000 or imprisoned not more than ten years, or both. (Mar. 4, 1911, ch. 270, 36 Stat. 1355.)

§ 192. (Criminal Code, section 103.) Trading in public property by collecting or disbursing officer.—Whoever, being an officer of the United States concerned in the collection or the disbursement of the revenues thereof, shall carry on any trade or business in the funds or debts of the United States, or of any State, or in any public property of either, shall be fined not more than \$3,000 or imprisoned not more than one year, or both, and be removed from office, and thereafter be incapable of holding any office under the United States. (Mar. 4, 1909, ch. 321, § 103, 35 Stat. 1107.)

DERIVATION

R. S. §§ 1788, 1789, which were revised from acts Sept. 2, 1789, ch. 12, 1 Stat. 67; May 8, 1792, ch. 37, 1 Stat. 281; Mar. 2, 1799, ch. 22, 1 Stat. 695 and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 193. (Criminal Code, section 104.) Court officials purchasing fees at less than face value.—Whoever, being a judge, clerk, or deputy clerk of any court of the United States, or of any Territory thereof, or a United States district attorney, assistant attorney, marshal, deputy marshal, commissioner, or other person holding any office or employment, or position of trust or profit under the Government of the United States, shall, either directly or indirectly, purchase at less than the full face value thereof, any claim against the United States for the fee, mileage, or expenses of any witness, juror, deputy marshal, or any other officer of the court whatsoever, shall be fined not more than \$1,000. (Mar. 4, 1909, ch. 321, § 104, 35 Stat. 1107.)

DERIVATION

Act Feb. 25, 1897, ch. 316, 29 Stat. 595, which was repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§195. (Criminal Code, section 106.) Other false certificates.—Whoever being a public officer or other person authorized by any law of the United States to make or give a certificate or other writing, shall knowingly make and deliver as true such a certificate or writing, containing any statement which he knows to be false, in a case where the punishment thereof is not elsewhere expressly provided by law, shall be fined not more than \$500, or imprisoned not more than one year or both. (Mar. 4, 1909, ch. 321, § 106, 35 Stat. 1107.)

§ 198. (Criminal Code, section 109.) Officers interested in claims against the United States.—Whoever, being an officer of the United States, or a person holding any place of trust or profit, or discharging any official function under, or in connection with any executive department of the Government of the United States, or under the Senate or House of Representatives of the United States, shall act as an agent or attorney for prosecuting any claim against the United States, or in any manner, or by any means, otherwise than in discharge of his proper official duties,

shall aid or assist in the prosecution or support of any such claim, or receive any gratuity, or any share of or interest in any claim from any claimant against the United States, with intent to aid or assist, or in consideration of having aided or assisted, in the prosecution of such claim, shall be fined not more than \$5,000, or imprisoned not more than one year, or both. (Mar. 4, 1909, ch. 321, § 109, 35 Stat. 1107.)

EXEMPTION OF CERTAIN SELECTIVE PERSONNEL

Act May 5, 1941, ch. 85, 55 Stat. 150, as amended Dec. 26, 1941, ch. 628, 55 Stat. 861, provided: "That nothing in sections 109 and 113 of the Criminal Code (U. S. C., Title 18, secs. 198 and 203) or in section 190 of the Revised Statutes (U. S. C., Title 5, sec. 99) shall be deemed to apply to any person because of his appointment under authority of the Selective Training and Service Act of 1940 (Title 50 Appendix, § 301 et seq.) or the Selective Service Regulations made in pursuance thereof as a member of a local board, a board of appeal, an advisory board for registrants, as a State director, a Government appeal agent, or as an individual to conduct hearings on appeals of persons claiming exemption from combatant training and service because of conscientious objections as provided in section 5 (g) of the Selective Training and Service Act of 1940 (Title 50 Appendix, § 305 (g)); or because of his appointment as a member of an Alien Enemy Hearing Board to assist the Attorney General in the execution of any proclamations heretofore or hereafter issued by the President under the authority of the Alien Enemy Act of 1798 as amended (U. S. C., Title 50, secs. 21-24)."

§ 201. Use of appropriations to pay for personal service to influence Member of Congress to favor or oppose legislation.—No part of the money appropriated by any Act shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation; but this shall not prevent officers and employees of the United States from communicating to Members of Congress on the request of any Member or to Congress, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of the public business.

Any officer or employee of the United States who, after notice and hearing by the superior officer vested with the power of removing him, is found to have violated or attempted to violate this section, shall be removed by such superior officer from office or employment. Any officer or employee of the United States who violates or attempts to violate this section shall also be guilty of a misdemeanor and on conviction thereof shall be punished by a fine of not more than \$500 or by imprisonment for not more than one year, or both. (July 11, 1919, ch. 6, § 6, 41 Stat. 68.)

§ 202. (Criminal Code, section 112.) Member of Congress taking consideration for procuring contract.—Whoever, being elected or appointed a Member of or Delegate to Congress, or a Resident Commissioner, shall, after his election or appointment and either before or after he has qualified, and during his continuance in office, or being an officer or agent of the United

States, shall directly or indirectly take, receive, or agree to receive, from any person, any money, property, or other valuable consideration whatever, for procuring, or aiding to procure, any contract, appointive office, or place, from the United States or from any officer or department thereof, for any person whatever, or for giving any such contract, appointive office, or place to any person whomsoever; or whoever, directly or indirectly, shall offer, or agree to give, or shall give, or bestow, any money, property, or other valuable consideration whatever, for the procuring, or aiding to procure, any such contract, appointive office, or place, shall be fined not more than \$10,000 and imprisoned not more than two years; and shall, moreover, be disqualified from holding any office of honor, profit, or trust under the Government of the United States. Any such contract or agreement may, at the option of the President, be declared void. (Mar. 4, 1909, ch. 321, § 112, 35 Stat. 1108.)

DERIVATION

R. S. § 1781, which was revised from acts July 16, 1862, ch. 180, 12 Stat. 577; Feb. 25, 1863, ch. 61, 12 Stat. 696 and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

CROSS REFERENCES

Application to contracts or agreements, with the Federal Crop Insurance Corporation under the Federal Crop Insurance Act, chapter 36 of Title 7, Agriculture, see section 1514 (f) of that title.

§ 203. (Criminal Code, section 113.) Receiving pay by Member of Congress in matters affecting United States; retired officers of armed forces.—Whoever, being elected or appointed a Senator, Member of or Delegate to Congress, or a Resident Commissioner, shall, after his election or appointment and either before or after he has qualified, and during his continuance in office, or being the head of a department, or other officer or clerk in the employ of the United States, shall, directly or indirectly, receive, or agree to receive, any compensation whatever for any services rendered or to be rendered to any person, either by himself or another, in relation to any proceeding, cnortcat, claim, controversy, charge, accusation, arrest, or other matter or thing in which the United States is a party or directly or indirectly interested, before any department, court martial, bureau, officer, or any civil, military, or naval commission whatever, shall be fined not more than \$10,000 and imprisoned not more than two years; and shall moreover thereafter be incapable of holding any office of honor, trust, or profit under the Government of the United States.

Retired officers of the Army, Navy, Marine Corps, and Coast Guard of the United States, while not on active duty, shall not by reason of their status as such be subject to the provisions of this section: *Provided*, That nothing herein shall be construed to allow any retired officer to represent any person in the sale of anything to the Government through the department in whose service he holds a retired status. (Mar. 4, 1909, ch. 321, § 113, 35 Stat. 1109; Oct. 8, 1940, ch. 762, 54 Stat. 1021.)

DERIVATION

R. S. § 1782, which was revised from act June 11, 1864, ch. 119, 13 Stat. 123 and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

AMENDMENT

Last paragraph was added by act Oct. 8, 1940, cited to text.

CROSS REFERENCES

Application to contracts or agreements with the Federal Crop Insurance Corporation under the Federal Crop Insurance Act, chapter 36, of Title 7, Agriculture, see section 1514 (f) of that title.

§ 204. (Criminal Code, section 114.) Member of Congress interested in public contracts; contracts void.—Whoever, being elected or appointed a Member of or Delegate to Congress, or a Resident Commissioner, shall, after his election or appointment and either before or after he has qualified, and during his continuance in office, directly or indirectly, himself, or by any other person in trust for him, or for his use or benefit, or on his account, undertake, execute, hold, or enjoy, in whole or in part, any contract or agreement, made or entered into in behalf of the United States by any officer or person authorized to make contracts on its behalf, shall be fined not more than \$3,000. All contracts or agreements made in violation of this section shall be void; and whenever any sum of money is advanced by the United States, in consideration of any such contract or agreement, it shall forthwith be repaid; and in case of failure or refusal to repay the same when demanded by the proper officer of the department under whose authority such contract or agreement shall have been made or entered into, suit shall at once be brought against the persons so failing or refusing and his sureties for the recovery of the money so advanced. (Mar. 4, 1909, ch. 321, § 114, 35 Stat. 1109.)

DERIVATION

R. S. § 3739, which was revised from act Apr. 21, 1808, ch. 48, 2 Stat. 484 and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

CROSS REFERENCES

Application to contracts or agreements with the Federal Crop Insurance Corporation under the Federal Crop Insurance Act, chapter 36 of Title 7, Agriculture, see section 1514 (f) of that title.

Application to loans or payments made under sections 590h and 590o of Title 16, Conservation, and the Agricultural Adjustment Act of 1938, chapter 35 of Title 7, Agriculture (except section 1383 (a)) see section 1586 of that title.

Contracts not affected by this section, see section 206 of this title.

§ 205. (Criminal Code, section 115.) Making official contract with Member of Congress.—Whoever, being an officer of the United States, shall on behalf of the United States, directly or indirectly, make or enter into any contract, bargain, or agreement, in writing or otherwise, with any Member of or Delegate to Congress, or any Resident Commissioner, after his election or appointment as such Member, Delegate, or Resident Commissioner, and either before or after he has qualified, and during his continuance in office, shall be fined no more than \$3,000. (Mar. 4, 1909, ch. 321, § 115, 35 Stat. 1109.)

DERIVATION

R. S. § 3742, as amended by act Feb. 27, 1877, ch. 69, 19 Stat. 249, which was revised from act Apr. 21, 1808, ch. 48, 2 Stat. 484 and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

CROSS REFERENCES

Application to contracts or agreements with the Federal Crop Insurance Corporation under the Federal Crop Insurance Act, chapter 36 of Title 7, Agriculture, see section 1514 (f) of that title.

Application to loans or payments made under sections 590h and 590o of Title 16, Conservation, and the Agricultural Adjustment Act of 1938, chapter 35 of Title 7, Agriculture (except section 1383 (a)) see section 1586 of that title.

Contracts not affected by this section, see section 206 of this title.

§ 206. (Criminal Code, section 116, as amended.) Contracts not affected.—Nothing contained in sections 204 and 205 of this title shall extend, or be construed to extend, to any contract or agreement made or entered into, or accepted, by any incorporated company, where such contract or agreement is made for the general benefit of such incorporation or company; nor to the purchase or sale of bills of exchange or other property by any Member of or Delegate to Congress, or Resident Commissioner, where the same are ready for delivery, and payment therefor is made, at the time of making or entering into the contract or agreement. Nor shall the provisions of such sections apply to any contracts or agreements entered into under the Agricultural Adjustment Act,¹ the Federal Farm Loan Act,² the Emergency Farm Mortgage Act of 1933,³ the Federal Farm Mortgage Corporation Act,⁴ the Farm Credit Act of 1933,⁵ and the Home Owners' Loan Act of 1933,⁶ and shall not apply to contracts or agreements of a kind which the Secretary of Agriculture may enter into with farmers: *Provided*, That such exemption shall be made a matter of public record. (Mar. 4, 1909, ch. 321, § 116, 35 Stat. 1109; Jan. 25, 1934, ch. 5, 48 Stat. 337; June 27, 1934, ch. 847, title V, § 510, 48 Stat. 1264; Aug. 26, 1937, ch. 821, 50 Stat. 838.)

¹ See sections 601-608c, 608d-612, 613-619, 620, 623, 624 of Title 7, Agriculture.

² Distribution of Federal Farm Loan Act, see note under section 641 of Title 12, Banks and Banking.

³ See sections 347, 462b, 636, 637, 723, 771, 781, 810, 821, 823 note, 963a, 992, 993, 1016-1019 of Title 12, Banks and Banking, section 609c of Title 15, Commerce and Trade, and sections 403, 404 of Title 43, Public Lands.

⁴ See sections 347, 355, 723 (f), 772, 781, 897, 992a, 1016 (b), (g), 1020-1020h, 1131i (a) (2), (e), 1138b, 1138d, 1161 of Title 12, Banks and Banking.

⁵ For distribution of the Farm Credit Act of 1933 in this code, see note under section 639 of Title 12, Banks and Banking.

⁶ See sections 1424 (a), 1461-1463, 1464-1468 of Title 12, Banks and Banking.

DERIVATION

R. S. § 3740, as amended by act Feb. 27, 1877, ch. 69, 19 Stat. 249, which was revised from act Apr. 21, 1808, ch. 48, 2 Stat. 484 and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

CROSS REFERENCES

Application to contracts or agreements with the Federal Crop Insurance Corporation under the Federal Crop Insurance Act, chapter 36 of Title 7, Agriculture, see section 1514 (f) of that title.

§ 207. (Criminal Code, section 117.) Official accepting bribe.—Whoever, being an officer of the United States, or a person acting for or on behalf of the United States, in any official capacity, under or by virtue of the authority of any department or office of the Government thereof; or whoever, being an officer or person acting for or on behalf of either House of Congress, or of any committee of either House, or of both Houses thereof, shall ask, accept, or receive any money, or any contract, promise, undertak-

ing, obligation, gratuity, or security for the payment of money, or for the delivery or conveyance of anything of value, with intent to have his decision or action on any question, matter, cause, or proceeding which may at any time be pending, or which may by law be brought before him in his official capacity, or in his place of trust or profit, influenced thereby, shall be fined not more than three times the amount of money or value of the thing so asked, accepted, or received, and imprisoned not more than three years; and shall, moreover, forfeit his office or place and thereafter be forever disqualified from holding any office of honor, trust, or profit under the Government of the United States. (Mar. 4, 1909, ch. 321, § 117, 35 Stat. 1109.)

DERIVATION

R. S. § 5501, which was revised from acts Feb. 26, 1853, ch. 81, 10 Stat. 171; Mar. 3, 1863, ch. 76, 12 Stat. 740; July 13, 1866, ch. 184, 14 Stat. 168; July 18, 1866, ch. 201, 14 Stat. 186; Mar. 3, 1875, ch. 144, 18 Stat. 479 and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

R. S. § 5502 which was repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

CROSS REFERENCES

Application to contracts or agreements with the Federal Crop Insurance Corporation under the Federal Crop Insurance Act, chapter 36 of Title 7, Agriculture, see section 1514 (f) of that title.

§ 208. (Criminal Code, section 118.) Political contributions; solicitation.—It is unlawful for any Senator or Representative in, or Delegate or Resident Commissioner to, Congress, or any candidate for, or individual elected as, Senator, Representative, Delegate, or Resident Commissioner, or any officer or employee of the United States, or any person receiving any salary or compensation for services from money derived from the Treasury of the United States, to directly or indirectly solicit, receive, or be in any manner concerned in soliciting or receiving, any assessment, subscription, or contribution for any political purpose whatever, from any other such officer, employee, or person. (Mar. 4, 1909, ch. 321, § 118, 35 Stat. 1110; Feb. 28, 1925, ch. 368, § 312, 43 Stat. 1073.)

DERIVATION

Act Jan. 16, 1883, ch. 27, § 11, 22 Stat. 406, which was repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 209. (Criminal Code, section 119.) Same; not to be received in public offices.—No person shall, in any room or building occupied in the discharge of official duties by any officer or employee of the United States mentioned in section 208 of this title, or in any navy yard, fort, or arsenal, solicit in any manner whatever or receive any contribution of money or other thing of value for any political purpose whatever. (Mar. 4, 1909, ch. 321, § 119, 35 Stat. 1110.)

DERIVATION

Act Jan. 16, 1883, ch. 27, § 12, 22 Stat. 407, which was repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 210. (Criminal Code, section 120.) Same; immunity from official proscription.—No officer or employee of the United

States mentioned in section 208 of this title shall discharge, or promote, or degrade, or in any manner change the official rank or compensation of any other officer or employee, or promise or threaten so to do, for giving or withholding or neglecting to make any contribution of money or other valuable thing for any political purpose. (Mar. 4, 1909, ch. 321, § 120, 35 Stat. 1110.)

DERIVATION

Act Jan. 16, 1883, ch. 27, § 13, 22 Stat. 407, which was repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 211. (Criminal Code, section 121.) Same; making to officials.—No officer, clerk, or other person in the service of the United States shall, directly or indirectly, give or hand over to any other officer, clerk, or person in the service of the United States, or to any Senator or Member of or Delegate to Congress, or Resident Commissioner, any money or other valuable thing on account of or to be applied to the promotion of any political object whatever. (Mar. 4, 1909, ch. 321, § 121, 35 Stat. 1110.)

DERIVATION

Act Jan. 16, 1883, ch. 27, § 14, 22 Stat. 407, which was repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 212. (Criminal Code, section 122.) Same; punishment.—Whoever shall violate any provision of sections 208-211 of this title shall be fined not more than \$5,000, or imprisoned not more than three years, or both. (Mar. 4, 1909, ch. 321, § 122, 35 Stat. 1110.)

DERIVATION

Act Jan. 16, ch. 27, § 15, 22 Stat. 407, which was repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 213. Same; removal from office.—Any executive officer or employee of the United States not appointed by the President, with the advice and consent of the Senate, who shall request, give to, or receive from, any other officer or employee of the Government any money or property or other thing of value for political purposes shall be at once discharged from the service of the United States. (Aug. 15, 1876, ch. 287, § 6, 19 Stat. 169.)

CROSS REFERENCE

Employees to be removed from classified civil service only for cause, see section 652 of Title 5, Executive Departments and Government Officers and Employees.

§ 214. (Criminal Code, section 123.) Officials giving advance information of crop reports.—Whoever, being an officer or employee of the United States or a person acting for or on behalf of the United States in any capacity under or by virtue of the authority of any department or office thereof, and while holding such office, employment, or position shall, by virtue of the office, employment, or position held by him, become possessed of any information which might exert an influence upon or affect the market value of any product of the soil grown within the United States, which information is by law or by the rules of the department or office required to be withheld from publication until a fixed

time, and shall willfully impart, directly or indirectly, such information, or any part thereof, to any person not entitled under the law or the rules of the department or office to receive the same; or shall, before such information is made public through regular official channels, directly or indirectly speculate in any such product respecting which he has thus become possessed of such information, by buying or selling the same in any quantity, shall be fined not more than \$10,000, or imprisoned not more than ten years, or both. No person shall be deemed guilty of a violation of any such rule, unless prior to such alleged violation he shall have had actual knowledge thereof. (Mar. 4, 1909, ch. 321, § 123. 35 Stat. 1110.)

§ 215. (Criminal Code, section 124.) **Official knowingly issuing false crop reports.**—Whoever being an officer or employee of the United States and whose duties require the compilation or report of statistics or information relative to the products of the soil, shall knowingly compile for issuance, or issue, any false statistics or information as a report of the United States, shall be fined not more than \$5,000, or imprisoned not more than five years, or both. (Mar. 4, 1909, ch. 321, § 124, 35 Stat. 1111.)

OFFENSES AGAINST PUBLIC JUSTICE

§ 231. (Criminal Code, section 125.) **Perjury.**—Whoever, having taken an oath before a competent tribunal, officer, or person, in any case in which a law of the United States authorizes an oath to be administered, that he will testify, declare, depose, or certify truly, or that any written testimony, declaration, deposition, or certificate by him subscribed, is true, shall willfully and contrary to such oath state or subscribe any material matter which he does not believe to be true, is guilty of perjury, and shall be fined not more than \$2,000 and imprisoned not more than five years. (Mar. 4, 1909, ch. 321, § 125, 35 Stat. 1111.)

DERIVATION

R. S. § 5392, which was revised from acts Apr. 3, 1790, ch. 9, 1 Stat. 116; Mar. 3, 1825, ch. 65, 4 Stat. 118 and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 232. (Criminal Code, section 126.) **Subornation of perjury.**—Whoever shall procure another to commit any perjury is guilty of subornation of perjury, and punishable as in section 231 of this title prescribed. (Mar. 4, 1909, ch. 321, § 126, 38 Stat. 1111.)

DERIVATION

R. S. § 5393, which was revised from acts Apr. 30, 1790, ch. 9, 1 Stat. 116; Mar. 3, 1825, ch. 65, 4 Stat. 118 and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 234. (Criminal Code, section 128.) **Destroying public records.**—Whoever shall willfully and unlawfully conceal, remove, mutilate, obliterate, or destroy, or attempt to conceal, remove, mutilate, obliterate, or destroy, or, with intent to conceal, remove, mutilate, obliterate, destroy, or steal, shall take and carry away any record, proceeding, map, book, paper, document or other thing, filed or deposited with any clerk or officer of any court of the

United States, or in any public office, or with any judicial or public officer of the United States, shall be fined not more than \$2,000, or imprisoned not more than three years, or both. (Mar. 4, 1909, ch. 321, § 128, 35 Stat. 1111.)

DERIVATION

R. S. § 5403, which was revised from act Feb. 26, 1853, ch. 81, 10 Stat. 170 and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 235. (Criminal Code, section 129.) Destroying records by officer in charge.—Whoever, having the custody of any record, proceeding, map, book, document, paper, or other thing specified in section 234 of this title, shall willfully and unlawfully conceal, remove, mutilate, obliterate, falsify, or destroy any such record, proceeding, map, book, document, paper, or thing, shall be fined not more than \$2,000, or imprisoned not more than three years, or both; and shall moreover forfeit his office and be forever afterward disqualified from holding any office under the Government of the United States. (Mar. 4, 1909, ch. 321, § 129, 35 Stat. 1112.)

DERIVATION

R. S. § 5408, which was revised from act Feb. 26, 1853, ch. 81, 10 Stat. 170 and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 237. (Criminal Code, section 131.) Bribery of judicial officer.—Whoever, directly or indirectly, shall give or offer, or cause to be given or offered, any money, property, or value of any kind, or any promise or agreement therefor, or any other bribe to any judge, judicial officer, or other person authorized by any law of the United States to hear or determine any question, matter, cause, proceeding, or controversy, with intent to influence his action, vote, opinion, or decision thereon, or because of any such action, vote, opinion, or decision, shall be fined not more than \$20,000, or imprisoned not more than fifteen years, or both; and shall forever be disqualified to hold any office of honor, trust, or profit under the United States. (Mar. 4, 1909, ch. 321, § 131, 35 Stat. 1112.)

DERIVATION

R. S. § 5449, which was revised from act Apr. 30, 1790, ch. 9, 1 Stat. 117 and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 239. (Criminal Code, section 133.) Same; juror or referee.—Whoever, being a juror, referee, arbitrator, appraiser, assessor, auditor, master, receiver, United States commissioner, or other person authorized by any law of the United States to hear or determine any question, matter, cause, controversy, or proceeding, shall ask, receive, or agree to receive, any money, property, or value of any kind, or any promise or agreement therefor, upon any agreement or understanding that his vote, opinion, action, judgment, or decision shall be influenced thereby, or because of any such vote, opinion, action, judgment, or decision, shall be fined not more than \$2,000, or imprisoned not more than two years, or both. (Mar. 4, 1909, ch. 321, 133, 35 Stat. 1112.)

§ 240. (Criminal Code, section 134.) Same; witness.—Whoever, being, or about to be, a witness upon a trial, hearing, or

other proceeding, before any court or any officer authorized by the laws of the United States to hear evidence or take testimony, shall receive, or agree or offer to receive, a bribe, upon any agreement or understanding that his testimony shall be influenced thereby, or that he will absent himself from the trial, hearing, or other proceeding, or because of such testimony, or such absence, shall be fined not more than \$2,000, or imprisoned not more than two years, or both. (Mar. 4, 1909, ch. 321, § 134, 35 Stat. 1113.)

§ 241a. (Criminal Code, section 135a.) **Protection of witnesses appearing before agencies of United States.**—Whoever corruptly, or by threats or force, or by any threatening letter or communication, shall endeavor to influence, intimidate, or impede any witness in any proceeding pending before any department, independent establishment, board, commission, or other agency of the United States, or in connection with any inquiry or investigation being had by either House, or any committee of either House, or any joint committee of the Congress of the United States, or who corruptly or by threats or force, or by any threatening letter or communication shall influence, obstruct, or impede, or endeavor to influence, obstruct, or impede the due and proper administration of the law under which such proceeding is being had before such department, independent establishment, board, commission, or other agency of the United States, or the due and proper exercise of the power of inquiry under which such inquiry or investigation is being had by either House, or any committee of either House or any joint committee of the Congress of the United States shall be fined not more than \$1,000 or imprisoned not more than one year, or both. (Mar. 4, 1909, ch. 321, § 135a, as added Jan. 13, 1940, ch. 1, 54 Stat. 13.)

§ 251. (Criminal Code, section 146.) **Misprision of felony.**—Whoever, having knowledge of the actual commission of the crime of murder or other felony cognizable by the courts of the United States, conceals and does not as soon as may be disclose and make known the same to some one of the judges or other persons in civil or military authority under the United States, shall be fined not more than \$500, or imprisoned not more than three years, or both. (Mar. 4, 1909, ch. 321, § 146, 35 Stat. 1114.)

DERIVATION

R. S. § 5390, which was revised from act Apr. 30, 1790, ch. 9, 1 Stat. 113 and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 253. **Killing Federal officer; penalty.**—Whoever shall kill, as defined in sections 452 and 453 of this title, any United States marshal or deputy United States marshal or person employed to assist a United States marshal or deputy United States marshal, any officer or employee of the Federal Bureau of Investigation of the Department of Justice, post-office inspector, Secret Service operative, any officer or enlisted man of the Coast Guard, any employee of any United States penal or correctional institution, any officer, employee, agent, or other person in the service of the customs or of the internal revenue, any immigrant inspector or

any immigration patrol inspector, any officer or employee of the Department of Agriculture or of the Department of the Interior designated by the Secretary of Agriculture or the Secretary of the Interior to enforce any Act of Congress for the protection, preservation, or restoration of game and other wild birds and animals, any officer or employee of the National Park Service, any officer or employee of, or assigned to duty in, the field service of the Division of Grazing of the Department of the Interior, or any officer or employee of the Indian field service of the United States, while engaged in the performance of his official duties, or on account of the performance of his official duties, shall be punished as provided under section 454 of this title. (May 18, 1934, ch. 299, § 1, 48 Stat. 780; Feb. 8, 1936, ch. 40, 49 Stat. 1105; June 26, 1936, ch. 830, title I, § 3, 49 Stat. 1940; Reorg. Plan No. II, § 4 (f), eff. July 1, 1939, 4 Fed. Reg. 2731, 53 Stat. 1433; June 13, 1940, ch. 359, 54 Stat. 391.)

AMENDMENT

Act June 13, 1940, cited to text, expanded section to include persons employed to assist a United States marshal or deputy marshal and officers and employees of Department of Interior designated by the Secretary of Interior to enforce any act of Congress for conservation of wildlife.

§ 254. Resisting, interfering with, or assaulting Federal officer; penalty.—Whoever shall forcibly resist, oppose, impede, intimidate, or interfere with any person designated in section 253 of this title while engaged in the performance of his official duties, or shall assault him on account of the performance of his official duties, shall be fined not more than \$5,000, or imprisoned not more than three years, or both; and whoever, in the commission of any of the acts described in this section, shall use a deadly or dangerous weapon shall be fined not more than \$10,000, or imprisoned not more than ten years, or both. (May 18, 1934, ch. 299, § 2, 48 Stat. 781.)

OFFENSES AGAINST POSTAL SERVICE

§ 320. (Criminal Code, section 197.) Assaulting mail or money custodian; robbery; wounding custodian.—Whoever shall assault any person having lawful charge, control, or custody of any mail matter or of any money or other property of the United States, with intent to rob, steal, or purloin such mail matter, money, or other property of the United States, or any part thereof, or shall rob any such person of such mail matter, or of any money, or other property of the United States, or any part thereof, shall, for the first offense, be imprisoned not more than ten years; and if in effecting or attempting to effect such robbery he shall wound the person having custody of such mail, money, or other property of the United States, or put his life in jeopardy by the use of a dangerous weapon, or for a subsequent offense, shall be imprisoned twenty-five years. (Mar. 4, 1909, ch. 321, § 197, 35 Stat. 1126; Aug. 26, 1935, ch. 694, 49 Stat. 867.)

DERIVATION

R. S. §§ 5472, 5473, which were revised from act June 8, 1872, ch. 335, 17 Stat. 320, and repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

§ 357. (Criminal Code, section 227.) Fraudulent use of official envelopes.—Whoever shall make use of any official envelope, label, or indorsement authorized by law, to avoid the payment of postage or registry fee on his private letter, packet, package, or other matter in the mail, shall be fined not more than \$300. (Mar. 4, 1909, ch. 321, § 227, 35 Stat. 1134.)

DERIVATION

Acts Mar. 3, 1877, ch. 103, § 5, 19 Stat. 335; Mar. 3, 1879, ch. 180, § 29, 20 Stat. 362, as amended by acts July 5, 1884, ch. 234, § 3, 23 Stat. 158; July 2, 1886, ch. 611, 24 Stat. 122.

OFFENSES AGAINST FOREIGN AND INTERSTATE COMMERCE

§ 396a. Transportation or importation of convict-made goods; prohibition; penalty; exceptions.—Whoever shall knowingly transport or knowingly cause to be transported in interstate commerce, in any manner or by any means whatsoever, or aid or assist, knowingly, in obtaining transportation for or in transporting any goods, wares, and merchandise manufactured, produced, or mined, wholly or in part by convicts or prisoners (except convicts or prisoners on parole or probation) or in any penal or reformatory institution, from one State, Territory, Puerto Rico, Virgin Islands, or District of the United States, or place noncontiguous but subject to the jurisdiction thereof, or from any foreign country, into any State, Territory, Puerto Rico, Virgin Islands, or District of the United States, or place noncontiguous but subject to the jurisdiction thereof, shall be punished by a fine of not more than \$1,000 or by imprisonment of not more than one year, or both: *Provided*, That nothing herein shall apply to commodities manufactured in Federal or District of Columbia penal and correctional institutions for use by the Federal Government or the District of Columbia Government or to commodities manufactured in any State penal or correctional institution for use by any other State, or States, or political subdivisions thereof; to parts for the repair of farm machinery; or to agricultural commodities: *Provided further*, That this section shall go into effect one year after its approval by the President. (Oct. 14, 1940, ch. 872, 54 Stat. 1134; July 9, 1941, ch. 283, 55 Stat. 581.)

§ 396b. Transportation or importation of convict-made goods with intent to use in violation of local law; prohibition; exceptions.—It shall be unlawful for any person knowingly to transport or cause to be transported, in any manner or by any means whatsoever, or aid or assist in obtaining transportation for or in transporting any goods, wares, and merchandise manufactured, produced, or mined wholly or in part by convicts or prisoners (except convicts or prisoners on parole or probation), or in any penal or reformatory institution, from one State, Territory, Puerto Rico, Virgin Islands, or District of the United States, or place noncontiguous but subject to the jurisdiction thereof, or from any foreign country, into any State, Territory, Puerto Rico, Virgin Islands, or District of the United States, or place noncontiguous but subject to the jurisdiction thereof, where said

goods, wares, and merchandise are intended by any person interested therein to be received, possessed, sold, or in any manner used, either in the original package or otherwise in violation of any law of such State, Territory, Puerto Rico, Virgin Islands, or District of the United States, or place noncontiguous but subject to the jurisdiction thereof. Nothing herein shall apply to commodities manufactured in Federal penal and correctional institutions for use by the Federal Government. (July 24, 1935, ch. 412, § 1, 49 Stat. 494.)

§ 396c. Same; marking packages.—All packages containing any goods, wares, and merchandise manufactured, produced, or mined wholly or in part by convicts or prisoners, except convicts or prisoners on parole or probation, or in any penal or reformatory institution, when shipped or transported in interstate or foreign commerce shall be plainly and clearly marked, so that the name and address of the shipper, the name and address of the consignee, the nature of the contents, and the name and location of the penal or reformatory institution where produced wholly or in part may be readily ascertained on an inspection of the outside of such package. (July 24, 1935, ch. 412, § 2, 49 Stat. 494.)

§ 396d. Same; penalties for violation.—Any person violating any provision of sections 61 and 62 of this title shall for each offense, upon conviction thereof, be punished by a fine of not more than \$1,000, and such goods, wares, and merchandise shall be forfeited to the United States, and may be seized and condemned by like proceedings as those provided by law for the seizure and forfeiture of property imported into the United States contrary to law. (July 24, 1935, ch. 412, § 3, 49 Stat. 495.)

§ 396e. Same; jurisdiction of violations.—Any violation of sections 61 and 62 of this title shall be prosecuted in any court having jurisdiction of crime within the district in which said violation was committed, or from, or into which any such goods, wares, or merchandise may have been carried or transported, or in any Territory, Puerto Rico, Virgin Islands, or the District of Columbia, contrary to the provisions of said sections. (July 24, 1935, ch. 412, § 4, 49 Stat. 495.)

OFFENSES WITHIN ADMIRALTY, MARITIME AND TERRITORIAL JURISDICTION OF UNITED STATES

§ 468. (Criminal Code, section 289.) Laws of States adopted for punishing wrongful acts; effect of repeal.—Whoever, within the territorial limits of any State, organized Territory, or district, but within or upon any of the places now existing or hereafter reserved or acquired, described in section 451 of this title, shall do or omit the doing of any act or thing which is not made penal by any laws of Congress, but which if committed or omitted within the jurisdiction of the State, Territory, or district in which such place is situated, by the laws thereof in force on February 1, 1940, and remaining in force at the time of the doing or omitting the doing of such act or thing, would be penal, shall be deemed guilty of a like offense and be subject to a like punish-

ment. (Mar. 4, 1909, ch. 321, § 289, 35 Stat. 1145; June 15, 1933, ch. 85, 48 Stat. 152; June 20, 1935, ch. 284, 49 Stat. 394; June 6, 1940, ch. 241, 54 Stat. 234.)

DERIVATION

R. S. § 5391, which was revised from acts Apr. 5, 1866, ch. 24, 14 Stat. 13; Mar. 3, 1825, ch. 65, 4 Stat. 115; and act July 7, 1898, ch. 576, § 2, 30 Stat. 717, which were repealed by act Mar. 4, 1909, ch. 321, § 341, 35 Stat. 1153.

CRIMINAL PROCEDURE—GENERAL PROVISIONS

§ 576a. Same; appeals; rules of procedure and practice.—In all cases of conviction by United States commissioners an appeal shall lie from the judgment of the commissioner to the district court of the United States for the district in which the offense was committed. The Supreme Court shall prescribe rules of procedure and practice for the trial of cases before commissioners and for taking and hearing of appeals to the said district courts of the United States. (Oct. 9, 1940, ch. 785, § 2, 54 Stat. 1059.)

§ 576b. Same; fees of commissioners.—United States commissioners specially designated under authority of section 576 of this title shall receive for services rendered under sections 576-576d of this title the same fees, and none other, as provided for like or similar services in other cases under section 597 of Title 28. (Oct. 9, 1940, ch. 785, § 3, 54 Stat. 1059.)

§ 576c. Same; existing powers of commissioners unaffected.—Sections 576-576d of this title shall not be construed as in any way repealing or limiting the existing jurisdiction, power, or authority of United States commissioners, including United States commissioners appointed for the several national parks and the United States commissioners in Alaska. (Oct. 9, 1940, ch. 785, § 4, 54 Stat. 1059.)

§ 576d. Same; inapplicability of sections 576-576c to District of Columbia.—The provisions of sections 576-576d of this title shall not apply to the District of Columbia. (Oct. 9, 1940, ch. 785, § 5, 54 Stat. 1059.)

LIMITATIONS

§ 582. Offenses not capital.—No person shall be prosecuted, tried, or punished for any offense, not capital, except as provided in section 584 of this title, unless the indictment is found, or the information is instituted, within three years next after such offense shall have been committed. (R. S. § 1044; Apr. 13, 1876, ch. 56, 19 Stat. 32; Nov. 17, 1921, ch. 124, § 1, 42 Stat. 220; Dec. 27, 1927, ch. 6, 45 Stat. 51.)

CODIFICATION

This section constitutes the first clause of R. S. § 1044 as amended by act December 27, 1927, cited to text. The remainder of R. S. § 1044, as amended, constituted a proviso that nothing therein contained "shall apply to any offense for which an indictment has been heretofore found or an information instituted, or to any proceedings under any such indictment or information."

DERIVATION

Act Apr. 30, 1790, ch. 9, § 32, 1 Stat. 119.

§ 590a. Suspension of limitations on offenses involving the defrauding of the United States.—The running of any existing statute of limitations applicable to any offense against the laws of the United States (1) involving defrauding or attempts to defraud the United States or any agency thereof whether by conspiracy or not, and in any manner, or (2) committed in connection with the negotiation, procurement, award, performance, payment for, interim financing, cancelation or other termination or settlement, of any contract, subcontract, or purchase order which is connected with or related to the prosecution of the present war, or with any disposition of termination inventory by any war contractor or Government agency, or (3) committed in connection with the care and handling and disposal of property under sections 1611-1646 of Appendix to Title 50, shall be suspended until three years after the termination of hostilities in the present war as proclaimed by the President or by a concurrent resolution of the two Houses of Congress. This section shall apply to acts, offenses, or transactions where the existing statute of limitations has not yet fully run, but it shall not apply to acts, offenses, or transactions which are already barred by provisions of existing law. (Aug. 24, 1942, ch. 555, § 1, 56 Stat. 747, as amended July 1, 1944, ch. 358, § 19 (b), 58 Stat. 667; Oct. 3, 1944, ch. 479, § 28, 58 Stat. 781.)

EFFECTIVE DATE

Section 24 (a) of act July 1, 1944, cited to text, provided in part that said Act should become effective twenty days after the date of its enactment.

Section 2 of act Aug. 24, 1942, cited to text, provided that this section should be in force and effect from and after date of its passage, which was Aug. 24, 1942.

UNITED STATES PRISONS IN GENERAL

§ 744b. Employment of convicts; employment on public works; camps for confinement of convicts; expenses, how met.—The Attorney General may make available the services of United States prisoners to the heads of the several departments under such terms, conditions, and at such rates as may be mutually agreed upon, for the purpose of constructing or repairing roads the cost of which is borne exclusively by the United States; clearing, maintaining, and reforesting public lands; building levees; and for construction or repairing any other public ways or works which are or may be financed wholly or in major part by funds appropriated from the Treasury of the United States. To carry out the purpose of this section the Attorney General may establish, equip, and maintain camps upon sites selected by him and designate such camps as a place for confinement of persons convicted of an offense against the laws of the United States, or transfer thereto any person convicted of any offense against the laws of the United States. The expenses of transferring and maintaining prisoners at such camps shall be paid from the appropriation "Support of United States prisoners", and said appropriation may, in the discretion of the Attorney General, be reimbursed for such expenses. (May 27, 1930, ch. 340, § 2, 46 Stat. 391.)

§ 744c. Same; establishment of industries; disposition of articles produced; forms of employment; locality of industries.—The Attorney General shall establish such industries as will produce articles and commodities for consumption in United States penal and correctional institutions or for sale to the departments and independent establishments of the Federal Government and not for sale to the public in competition with private enterprise: *Provided*, That any industry established under authority of this section be so operated as not to curtail the production within its present limits, of any existing arsenal, navy yard, or other Government workshop. In establishing said industries the Attorney General shall provide such forms of employment in the Federal penal and correctional institutions as will give the inmates a maximum opportunity to acquire a knowledge and skill in trades and occupations which will provide them with a means of earning a livelihood upon release. The industries to be established by the Attorney General under authority of this section may be either within the precincts of any penal or correctional institution or in any convenient locality where an existing property may be obtained by lease, purchase, or otherwise. (May 27, 1930, ch. 340, § 3, 46 Stat. 391.)

CROSS REFERENCE

Diversification of prison industrial operations so that no single private industry shall be forced to bear an undue burden of resulting competition. see section 744k of this title.

§ 744g. Same; purchase of prison-made products by Federal departments; terms of purchase.—The several Federal departments and independent establishments and all other Government institutions of the United States shall purchase at not to exceed current market prices, such products of the industries herein authorized to be carried on as meet their requirements and as may be available and are authorized by the appropriations from which such purchases are made. Any disputes as to the price, quality, suitability or character of the products manufactured in any prison industry and offered to any Government department shall be arbitrated by a board consisting of the Comptroller General of the United States, the Superintendent of Supplies of the General Supply Committee, and the Chief of the United States Bureau of Efficiency, or their representatives. The decision of said board shall be final and binding upon all parties. (May 27, 1930, ch. 340, § 7, 46 Stat. 392.)

BUREAU AND COMMITTEE ABOLISHED

Bureau of Efficiency was abolished by act Mar. 3, 1933, ch. 212, § 17, 47 Stat. 1519.

PRISON CAMPS

§ 851. Establishment of camps; transfer of prisoners.—The Attorney General is hereby authorized to establish, equip, maintain, and operate prison camps upon sites selected by the Attorney General, the Secretary of Agriculture, and the Secretary of the Interior. Upon written order of the Attorney General persons convicted under the laws of the United States may be transferred to such prison camps for employment upon road or trail building, the cost of which is borne exclusively by

the United States: *Provided*, That sections 851-855 of this title shall not authorize any such camp for employment upon any Indian reservation. (Feb. 26, 1929, ch. 336, § 1, 45 Stat. 1318.)

§ 854. **Expense of operating camps; appropriation for payment.**—The expense incident to the establishment, equipment maintenance, and operation of prison camps shall be payable from the appropriation for support of United States prisoners, and such appropriation shall be reimbursed to the extent agreed upon by the Attorney General and the head of the department to which the appropriation for road building or such other public improvement incident to which the prison camp was established was made. (Feb. 26, 1929, ch. 336, § 5, 45 Stat. 1318.)

ADDITIONAL INSTITUTIONS FOR CONFINEMENT OF MALE PERSONS

§ 906. **Employment of inmates; establishment of industries; disposition of manufactured products; working-capital fund.**—The inmates of institutions established under section 901 of this title shall be employed in such manner and under such conditions as the Attorney General may direct. The Attorney General may, in his discretion, establish industries, plants, factories, or shops for the manufacture of articles, commodities, and supplies for the United States Government; and the several Federal departments and all other Government institutions of the United States shall purchase at not to exceed current market prices such products of the industries herein authorized to be carried on as meet their requirements and as may be available and are authorized by the appropriations from which such purchases are made. Any disputes as to the price, quality, suitability, or character of the products manufactured in any prison industry and offered to any Government department shall be arbitrated by a board consisting of the Comptroller General of the United States, the Superintendent of Supplies of the General Supply Committee, and the Chief of the United States Bureau of Efficiency, or their representatives. The decision of said board shall be final and binding upon all parties. There may be established a working-capital fund for said industries out of any funds appropriated for said institutions; and said working-capital fund shall be available for the purchase, repair, or replacement of industrial machinery or equipment, for the purchase of raw materials and supplies, for personal services of civilian employees engaged in any industrial enterprise, and for the payment to the inmates or their dependents of such pecuniary earnings as the Attorney General shall deem proper. (May 27, 1930, ch. 339, § 6, 46 Stat. 389.)

TITLE 19—CUSTOMS DUTIES TARIFF ACT OF 1930

§ 1201. **Free list.**—Except as otherwise specially provided for in this chapter, the articles mentioned in the following paragraphs, when imported into the United States or into any of its possessions (except the Philippine Islands, the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, and the island of Guam), shall be exempt from duty:

Par. 1606. (a) Any animal imported by a citizen of the United States specially for breeding purposes, shall be admitted free, whether intended to be used by the importer himself or for sale for such purposes, except black or silver foxes: *Provided*, That no such animal shall be admitted free unless pure bred of a recognized breed and duly registered in a book of record recognized by the Secretary of Agriculture for that breed: *Provided further*, That the certificate of such record and pedigree of such animal shall be produced and submitted to the Department of Agriculture, duly authenticated by the proper custodian of such book of record, together with an affidavit of the owner, agent, or importer that the animal imported is the identical animal described in said certificate of record and pedigree. The Secretary of Agriculture may prescribe such regulations as may be required for determining the purity of breeding and the identity of such animal; *And provided further*, That the collectors of customs shall require a certificate from the Department of Agriculture stating that such animal is pure bred of a recognized breed and duly registered in a book of record recognized by the Secretary of Agriculture for that breed.

* * * * *

Par. 1671. Eggs of birds, fish, and insects (except fish roe for food purposes): *Provided*, That the importation of eggs of wild birds is prohibited, except eggs of game birds imported for propagating purposes under regulations prescribed by the Secretary of Agriculture, and specimens imported for scientific collections.

* * * * *

Par. 1682. Live game animals and birds, imported for stocking purposes, and game animals and birds killed in foreign countries by residents of the United States and imported by them for noncommercial purposes; under such regulations as the Secretary of Agriculture and the Secretary of the Treasury shall prescribe.

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Par. 1742. Plants, trees, shrubs, roots, seed cane, seeds, and other material for planting, imported by the Department of Agriculture or the United States Botanic Garden.

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(June 17, 1930, ch. 497, title II, § 201, 46 Stat. 672-685; Mar. 4, 1933, ch. 280, 47 Stat. 1570; June 12, 1934, ch. 474, § 2 (a), 48 Stat. 944; June 25, 1938, 5 p. m. E. S. T., ch. 679, §§ 2, 35, 36, 52 Stat. 1077, 1092, 1093.)

§ 1306. Cattle, sheep, swine, and meats—Importation prohibited in certain cases—(a) Rinderpest and foot-and-mouth disease.—If the Secretary of Agriculture determines that rinderpest or foot-and-mouth disease exists in any foreign country, he shall officially notify the Secretary of the Treasury and give public notice thereof, and thereafter, and until the Secretary of Agriculture gives notice in a similar manner that such disease

no longer exists in such foreign country, the importation into the United States of cattle, sheep, or other domestic ruminants, or swine, or of fresh, chilled, or frozen beef, veal, mutton, lamb, or pork, from such foreign country, is prohibited.

(b) **Meats unfit for human food.**—No meat of any kind shall be imported into the United States unless such meat is healthful, wholesome, and fit for human food and contains no dye, chemical, preservative, or ingredient which renders such meat unhealthful, unwholesome, or unfit for human food, and unless such meat also complies with the rules and regulations made by the Secretary of Agriculture. All imported meats shall, after entry into the United States in compliance with such rules and regulations, be deemed and treated as domestic meats within the meaning of and subject to the provisions of sections 1-15, 95 of Title 21.

(c) **Regulations.**—The Secretary of Agriculture is authorized to make rules and regulations to carry out the purposes of this section, and in such rules and regulations the Secretary of Agriculture may prescribe the terms and conditions for the destruction of all cattle, sheep, and other domestic ruminants, and swine, and of all meats, offered for entry and refused admission into the United States, unless such cattle, sheep, domestic ruminants, swine, or meats be exported by the consignee within the time fixed therefor in such rules and regulations. (June 17, 1930, ch. 497, title III, § 306, 46 Stat. 689.)

UNITED STATES TARIFF COMMISSION

§ 1334. **Cooperation with other agencies.**—The commission shall in appropriate matters act in conjunction and cooperation with the Treasury Department, the Department of Commerce, the Federal Trade Commission, or any other departments, or independent establishments of the Government, and such departments and independent establishments of the Government shall cooperate fully with the commission for the purposes of aiding and assisting in its work, and, when directed by the President, shall furnish to the commission, on its request, all records, papers, and information in their possession relating to any of the subjects of investigation by the commission and shall detail, from time to time, such officials and employees to said commission as he may direct. (June 17, 1930, ch. 497, title III, § 334, 46 Stat. 700.)

PROMOTION OF FOREIGN TRADE

§ 1354. **Notice of intention to negotiate agreement; opportunity to be heard; President to seek information and advice.**—Before any foreign trade agreement is concluded with any foreign government or instrumentality thereof under the provisions of Part III of this title, reasonable public notice of the intention to negotiate an agreement with such government or instrumentality shall be given in order that any interested person may have an opportunity to present his views to the President, or to such agency as the President may designate, under such rules and regulations as the President may prescribe; and before conclud-

ing such agreement the President shall seek information and advice with respect thereto from the United States Tariff Commission, the Departments of State, Agriculture, and Commerce and from such other sources as he may deem appropriate. (June 12, 1934, ch. 474, § 4, 48 Stat. 945.)

TITLE 20—EDUCATION

VOCATIONAL EDUCATION

§ 17. Federal board; members; chairman; terms of office; cooperation with State boards; investigations; assistants.—A Federal Board for Vocational Education is created, to consist of the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the United States Commissioner of Education, and three citizens of the United States to be appointed by the President, by and with the advice and consent of the Senate. One of said three citizens shall be a representative of the manufacturing and commercial interests, one a representative of the agricultural interests, and one a representative of labor. The board shall elect annually one of its members as chairman. In the first instance, one of the citizen members shall be appointed for one year, one for two years, and one for three years, and thereafter for three years each.

The Federal Security Agency shall have power to cooperate with State boards in carrying out the provisions of sections 11-15, 16-28, of this title. It shall be the duty of the Federal Security Agency to make or cause to have made studies, investigations, and reports, with particular reference to their use in aiding the States in the establishment of vocational schools and classes and in giving instruction in agriculture, trades and industries, commerce and commercial pursuits, and home economics. Such studies, investigations, and reports shall include agriculture and agricultural processes and requirements upon agricultural workers; trades, industries, and apprenticeships, trade and industrial requirements upon industrial workers, and classification of industrial processes and pursuits; commerce and commercial pursuits and requirements upon commercial workers; home management, domestic science, and the study of related facts and principles; and problems of administration of vocational schools and of courses of study and instruction in vocational subjects.

When the Federal Security Agency deems its advisable such studies, investigations, and reports concerning agriculture, for the purposes of agricultural education, may be made in cooperation with or through the Department of Agriculture; such studies, investigations, and reports concerning trades and industries, for the purposes of trade and industrial education, may be made in cooperation with or through the Department of Labor; such studies, investigations, and reports concerning commerce and commercial pursuits, for the purposes of commercial education, may be made in cooperation with or through the Department of Commerce; such studies, investigations, and reports concerning the administration of vocational schools,

courses of study and instruction in vocational subjects, may be made in cooperation with or through the Office of Education.

The Commissioner of Education may make such recommendations to the Federal Security Agency relative to the administration of sections 11-15, 16-28 of this title as he may from time to time deem advisable. It shall be the duty of the Federal Security Agency to carry out the rules, regulations, and decisions which it may adopt. The Federal Security Agency shall have power to employ such assistants as may be necessary to carry out the provisions of sections 11-15, 16-28, of this title. (Feb. 23, 1917, ch. 114, § 6, 39 Stat. 932; Ex. Ord. No. 6166, § 15, June 10, 1933; Reorg. Plan No. I, §§ 201, 204, eff. July 1, 1939, 4 Fed. Reg. 2728, 53 Stat. 1424.)

TRANSFER OF FUNCTIONS

The Office of Education was originally established in the Department of the Interior from which it was transferred to the Federal Security Agency by Reorganization Plan No. I, cited to text, which is set out in note to section 133t of Title 5, Executive Department, and Government Officers and Employees.

In the appropriation act of July 12, 1870, ch. 251, 16 Stat. 242, the Office was designated the Bureau of Education. This designation was retained until the act of May 14, 1930, ch. 273, 46 Stat. 281, 319, which made appropriations for the "Office of Education." Since that time, all appropriations have been made to the "Office of Education."

Functions of Federal Board for Vocational Education were transferred to Interior Department and from there to the Federal Security Agency.

SMITHSONIAN GALLERY OF ART

§ 76d. Donations of works of art from Government agencies.—The Federal Works Administrator and other agencies of the Government are authorized to donate to the Gallery any works of art now or hereafter under their control. (May 17, 1938, ch. 238, § 5, 52 Stat. 401; Reorg. Plan No. I, §§ 301, 303, eff. July 1, 1939, 4 Fed. Reg. 2729, 53 Stat. 1426, 1427.)

TRANSFER OF FUNCTIONS

Public Buildings Branch of the Procurement Division in the Treasury Department and Public Works Administration and other agencies were consolidated into the Federal Works Agency, and functions transferred to the Federal Works Administrator, by Reorganization Plan No. I, §§ 301, 303, effective July 1, 1939, set out in notes to section 133t of Title 5, Executive Departments and Government Officers and Employees.

NATIONAL ZOOLOGICAL PARK

§ 82. National Zoological Park; aid in acquisition of collections.—The heads of executive departments of the Government are authorized and directed to cause to be rendered all necessary and practicable aid to the said Regents in the acquisition of collections for the Zoological Park. (Apr. 30, 1890, ch. 173, § 3, 26 Stat. 78.)

GOVERNMENT COLLECTIONS AND INSTITUTIONS FOR RESEARCH, AND MATERIAL FOR EDUCATIONAL INSTITUTIONS

§ 91. Literary and scientific collections accessible to investigators and students.—The facilities for study research and illustration in the Government departments and in the following and

any other governmental collections now existing or hereafter to be established in the city of Washington for the promotion of knowledge shall be accessible, under such rules and restrictions as the officers in charge of each department or collection may prescribe, subject to such authority as is now or may hereafter be permitted by law, to the scientific investigators and to duly qualified individuals, students and graduates of any institution of learning in the several States and Territories and the District of Columbia to wit:

* * * * *

Seven. Of the Department of Agriculture.

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(Apr. 12, 1892, No. 8, 27 Stat. 395; Mar. 3, 1901, ch. 831, § 1, 31 Stat. 1039; May 14, 1928, ch. 551, § 1, 45 Stat. 531; Reorg. Plan No. II, § 4 (e), eff. July 1, 1939, 4 Fed. Reg. 2731, 53 Stat. 1433; Reorg. Plan No. III, § 3, eff. June 30, 1940, 5 Fed. Reg. 2108, 54 Stat. 1232.)

VENDING STANDS FOR BLIND IN FEDERAL BUILDINGS

§ 107. Operation of vending stand authorized.—For the purpose of providing blind persons with remunerative employment, enlarging the economic opportunities of the blind, and stimulating the blind to greater efforts in striving to make themselves self-supporting blind persons licensed under the provisions of sections 107 to 107f of this title shall be authorized to operate vending stands in any Federal building where, in the discretion of the head of the department or agency in charge of the maintenance of the building, such vending stands may be properly and satisfactorily operated by blind persons. (June 20, 1936, ch. 638, § 1, 49 Stat. 1559.)

§ 107a. Surveys by Commissioner of Education; designating State licensing agencies; qualifications for license; preferences; selection of locations.—(a) The Office of Education under the Federal Security Agency, subject to the direction of the Commissioner of Education and such rules and regulations as he may, with the approval of the Federal Security Administrator, prescribe, shall—

(1) Make surveys of concession-stand opportunities for blind persons in Federal and other buildings in the United States;

(2) Make surveys throughout the United States of industries with a view to obtaining information that will assist blind persons to obtain employment;

(3) Make available to the public, and especially to persons and organizations engaged in work for the blind, information obtained as a result of such surveys;

(4) Designate as provided in section 107b of this title the State commission for the blind in each State, or, in any State in which there is no such commission some other public agency to issue licenses to blind persons who are citizens of the United States and at least twenty-one years of age for the operating of vending stands in Federal and other buildings in such State

for the vending of newspapers, periodicals, confections, tobacco products, and such other articles as may be approved for each building by the custodian thereof and the State licensing agency; and

(5) Take such other steps as may be necessary and proper to carry out the provisions of sections 107-107f of this title.

(b) The State licensing agency shall, in issuing each such license for the operation of a vending stand, give preference to blind persons who are in need of employment and have resided for at least one year in the State in which such stand is to be located. Each such license shall be issued for an indefinite period but may be terminated by the State licensing agency if it is satisfied that the stand is not being operated in accordance with the rules and regulations prescribed by such licensing agency. Each such license for the operation of a vending stand in a Federal building shall be subject to the approval of the Federal agency having charge of the building in which the stand is located. Such licenses shall be issued only to applicants who are blind within the meaning of section 107e of this title but are able, in spite of such infirmity, to operate such stands.

(c) The State licensing agency designated by the Office of Education is authorized, with the approval of the custodian having charge of the building in which the vending stand is to be located, to select a location for such stand and the type of stand to be provided. (June 20, 1936, ch. 638, § 2, 49 Stat. 1560; Reorg. Plan No. I, §§ 201, 204 eff. July 1, 1939, 4 Fed. Reg. 2728, 53 Stat. 1424.)

TRANSFER OF FUNCTIONS

The Office of Education was originally established in the Department of the Interior from which it was transferred to the Federal Security Agency by Reorganization Plan No. I, cited to text, which is set out in note to section 133t of Title 5, Executive Departments and Government Officers and Employees.

§ 107b. Application for designation as State licensing agency; cooperation with Commissioner; furnishing initial stock.—(a) A State commission for the blind or other State agency desiring to be designated as the agency for licensing blind persons for the operation of vending stands as provided in sections 107-107f of this title shall, with the approval of the governor of the State, make application to the Commissioner of Education and agree—

(1) To cooperate with the Commissioner of Education and with the division of vocational rehabilitation of such State in training, placing, and supervising blind persons;

(2) To provide through loan, gift, or otherwise, for each blind person licensed to operate a stand, an adequate initial stock of suitable articles to be vended therefrom. (June 20, 1936, ch. 638, § 3, 49 Stat. 1560.)

§ 107c. Cooperation of Commissioners with boards for rehabilitation of handicapped persons.—The Commissioner is authorized to cooperate with the State boards for rehabilitation of handicapped persons, established by the several States pursuant to sections 31-44 of Title 29, as amended and supplemented, in carrying out the provisions of sections 107-107f of this title. (June 20, 1936, ch. 638, § 4, 49 Stat. 1560.)

§ 107d. **Expenditures for personal services, rent, printing, etc.; preference to blind persons.**—(a) The Commissioner is authorized to make such expenditures out of any money appropriated therefor (including expenditures for personal services and rent at the seat of government and elsewhere, books of reference and periodicals, for printing and binding, and for traveling expenses) as he may deem necessary to carry out the provisions of sections 107-107f of this title. (b) The Commissioner shall, in employing such additional personnel as may be necessary, give preference to blind persons who are capable of discharging the required duties, and at least 50 per centum of such additional personnel shall be blind persons. (June 20, 1936, ch. 638, § 5, 49 Stat. 1560.)

§ 107e. **Definitions.**—As used in sections 107-107d of this title—

(a) The term "United States" includes the several States, Territories, and possessions of the United States, and the District of Columbia.

(b) The term "blind person" means a person having not more than 10 per centum visual acuity in the better eye with correction. Such blindness shall be certified by a duly licensed ophthalmologist.

(c) The term "State" means a State, Territory, possession, or the District of Columbia. (June 20, 1936, ch. 638, § 6, 49 Stat. 1560.)

§ 107f. **Appropriation.**—There is authorized to be appropriated such sums as may be necessary for carrying out the provisions of sections 107-107f of this title. (June 20, 1936, ch. 638, § 7, 49 Stat. 1560.)

NATIONAL ARBORETUM

§ 191. **Establishment; site; acquisition of land.**—The Secretary of Agriculture is authorized and directed to establish and maintain a national arboretum for purposes of research and education concerning tree and plant life. For the purposes of sections 191-194 of this title, (1) the President is authorized to transfer to the jurisdiction of the Secretary of Agriculture by Executive order any land which now belongs to the United States within or adjacent to the District of Columbia located along the Anacostia River north of Benning Bridge, and (2) the Secretary of Agriculture is authorized in his discretion to acquire, within the limits of the appropriation authorized by sections 191-194 of this title, by private purchase, condemnation proceedings, or gift, land so located or other land within or adjacent to the District of Columbia: *Provided*, That the purchase price of any part of said land shall not exceed the full value assessment of such property last made before purchase thereof plus 25 per centum of such assessed value. (Mar. 4, 1927, ch. 505, § 1, 44 Stat. 1422.)

§ 192. **Appropriation for acquisition of land.**

Section, act March 4, 1927, ch. 505, § 2, 44 Stat. 1422, authorized appropriation of \$300,000 to be expended for acquisition of land specified in section 191 of this title.

§ 193. Administration of arboretum.—In order to stimulate research and discovery the national arboretum established by the Secretary of Agriculture in accordance with the provisions of sections 191-194 of this title shall be under competent scientific direction. The arboretum shall be administered by the Secretary of Agriculture separately from the agricultural, horticultural, and forestry stations of the Department of Agriculture, but it shall be so correlated with them as to bring about the most effective utilization of its facilities and discoveries. (Mar. 4, 1927, ch. 505, § 3, 44 Stat. 1422.)

§ 194. Advisory council.—The Secretary of Agriculture is authorized to create an advisory council in relation to the plan and development of the national arboretum to be established under sections 191-194 of this title, to include representatives of national organizations interested in the work of the arboretum. (Mar. 4, 1927, ch. 505, § 4, 44 Stat. 1422.)

TITLE 21—FOOD AND DRUGS

ANIMALS, MEATS, AND MEAT AND DAIRY PRODUCTS

EXAMINATION OF ANIMALS, MEAT, AND MEAT PRODUCTS USED IN INTERSTATE OR FOREIGN COMMERCE

Bureau of Animal Industry, see sections 391-394 of Title 7, Agriculture.

§ 71. Inspection of meat and meat food products; examination of cattle before slaughtering; diseased animals slaughtered separately and carcasses examined.—For the purpose of preventing the use in interstate or foreign commerce of meat and meat-food products which are unsound, unhealthful, unwholesome, or otherwise unfit for human food, the Secretary of Agriculture, at his discretion, may cause to be made, by inspectors appointed for that purpose, an examination and inspection of all cattle, sheep, swine, and goats before they shall be allowed to enter into any slaughtering, packing, meat-canning, rendering, or similar establishment in which they are to be slaughtered and the meat and meat-food products thereof are to be used in interstate or foreign commerce; and all cattle, swine, sheep, and goats found on such inspection to show symptoms of disease shall be set apart and slaughtered separately from all other cattle, sheep, swine, or goats; and when so slaughtered the carcasses of said cattle, sheep, swine, or goats shall be subject to a careful examination and inspection, all as provided by the rules and regulations to be prescribed by the Secretary of Agriculture, as provided for in sections 71-93 of this title. (Mar. 4, 1907, ch. 2907, 34 Stat. 1260.)

INTRASTATE INSPECTION

Act June 10, 1942, ch. 403, §§ 1-4, 56 Stat. 351, provided as follows:

"That upon application for Federal inspection by any slaughtering, meat-canning, salting, packing, rendering, or similar establishment which is not subject to the provisions of law, as amended, known as the Meat Inspection Act (sections 71-93 of this title), which follow the subheading 'For Meat Inspection' under the heading 'Bureau of Animal Industry' in the Act entitled 'An Act making appropriations for the Department of Agriculture for the fiscal year ending June thirtieth, nineteen hundred and eight', approved March 4, 1907, the Secretary of Agriculture is authorized to cause to be made the same or similar examinations and inspections and cause such other action to be taken in respect of the soundness, healthfulness, whole-

someness, and fitness for human food of meat and meat food products as would be made or taken if meat and meat food products from such establishment were to be used, transported, or sold in interstate or foreign commerce.

"SEC. 2. (a) The Secretary of Agriculture is authorized and directed, insofar as may be practicable, to carry out the provisions of this Act through the existing officers, employees, and facilities through which he carries out the provisions of the Meat Inspection Act, as amended (sections 71-93 of this title).

"(b) The Secretary of Agriculture is authorized to prescribe such regulations as may be necessary in order to carry out the provisions of this Act.

"(c) The Secretary of Agriculture is authorized to employ persons without regard to the Civil Service Act, as amended (sections 632, 633, 635, 637, 638, 640, 642 of Title 5, sections 608-612 of Title 18, and section 42 of Title 40), and subsection 6 of section 6 of the Classification Act of 1923, as amended (section 666 of Title 5), provided that any persons so employed shall be regarded as holding war-service' appointments, under Executive Order 9063 (7 F. R. 1075).

"SEC. 3. There is hereby authorized to be appropriated for the fiscal year ending June 30, 1943, and each fiscal year thereafter, such amounts as may be necessary to carry out the provisions of this Act.

"SEC. 4. This Act shall cease to be in effect six months after the termination of the present war."

§ 72. Post mortem examination of carcasses and marking or labeling; destruction of carcasses condemned; reinspection.—For the purposes set forth in section 71 of this title the Secretary of Agriculture shall cause to be made by inspectors appointed for that purpose a post mortem examination and inspection of the carcasses and parts thereof of all cattle, sheep, swine, and goats to be prepared for human consumption at any slaughtering, meat-canning, salting, packing, rendering, or similar establishment in any State, Territory, or the District of Columbia for transportation or sale as articles of interstate or foreign commerce; and the carcasses and parts thereof of all such animals found to be sound, healthful, wholesome, and fit for human food shall be marked, stamped, tagged, or labeled as "Inspected and passed"; and said inspectors shall label, mark, stamp, or tag as "Inspected and condemned" all carcasses and parts thereof of animals found to be unsound, unhealthful, unwholesome, or otherwise unfit for human food; and all carcasses and parts thereof thus inspected and condemned shall be destroyed for food purposes by the said establishment in the presence of an inspector, and the Secretary of Agriculture may remove inspectors from any such establishment which fails to so destroy any such condemned carcass or part thereof, and said inspectors, after said first inspection, shall, when they deem it necessary, reinspect said carcasses or parts thereof to determine whether since the first inspection the same have become unsound, unhealthful, unwholesome, or in any way unfit for human food, and if any carcass or any part thereof shall, upon examination and inspection subsequent to the first examination and inspection, be found to be unsound, unhealthful, unwholesome, or otherwise unfit for human food, it shall be destroyed for food purposes by the said establishment in the presence of an inspector, and the Secretary of Agriculture may remove inspectors from any establishment which fails to so destroy any such condemned carcass or part thereof. (Mar. 4, 1907, ch. 2907, 34 Stat. 1260.)

§ 73. Examination of carcasses brought into slaughtering or packing establishments, and of meat food products issued from and returned thereto.—The foregoing provisions shall apply to all carcasses or parts of carcasses of cattle, sheep, swine, and goats, or the meat or meat products thereof which may be brought into any slaughtering, meat-canning, salting, packing, rendering, or similar establishment, and such examination and inspection shall be had before the said carcasses or parts thereof shall be allowed to enter into any department wherein the same are to be treated and prepared for meat food products; and the foregoing provisions shall also apply to all such products, which, after having been issued from any slaughtering, meat-canning, salting, packing, rendering, or similar establishment, shall be returned to the same or to any similar establishment where such inspection is maintained. (Mar. 4, 1907, ch. 2907, 34 Stat. 1261.)

§ 74. Inspectors of meat food products; marks of inspection; destruction of condemned products; products for export.—For the purposes hereinbefore set forth the Secretary of Agriculture shall cause to be made, by inspectors appointed for that purpose, an examination and inspection of all meat food products prepared for interstate or foreign commerce in any slaughtering, meat-canning, salting, packing, rendering, or similar establishment, and for the purposes of any examination and inspection said inspectors shall have access at all times, by day or night, whether the establishment be operated or not, to every part of said establishment; and said inspectors shall mark, stamp, tag, or label as "Inspected and passed" all such products found to be sound, healthful, and wholesome, and which contain no dyes, chemicals, preservatives, or ingredients which render such meat, or meat food products unsound, unhealthful, unwholesome, or unfit for human food; and said inspectors shall label, mark, stamp, or tag as "Inspected and condemned" all such products found unsound, unhealthful, and unwholesome, or which contain dyes, chemicals, preservatives, or ingredients which render such meat or meat food products unsound, unhealthful, unwholesome, or unfit for human food, and all such condemned meat food products shall be destroyed for food purposes, as hereinbefore provided, and the Secretary of Agriculture may remove inspectors from any establishment which fails to so destroy such condemned meat food products: *Provided*, That subject to the rules and regulations of the Secretary of Agriculture the provisions of this section in regard to preservatives shall not apply to meat food products for export to any foreign country and which are prepared or packed according to the specifications or directions of the foreign purchaser, when no substance is used in the preparation or packing thereof in conflict with the laws of the foreign country to which said article is to be exported; but if said article shall be in fact sold or offered for sale for domestic use or consumption then this proviso shall not exempt said article from the operation of all the other provisions of sections 71-93 of this title. (Mar. 4, 1907, ch. 2907, 34 Stat. 1261.)

§ 75. Labeling receptacles or coverings of meat or meat food products inspected and passed; supervision by inspectors; sales under false names; trade names.—When any meat or meat food product prepared for interstate or foreign commerce which has been inspected as hereinbefore provided and marked “Inspected and passed” shall be placed or packed in any can, pot, tin, canvas, or other receptacle or covering in any establishment where inspection under the provisions of sections 71-93 of this title is maintained, the person, firm, or corporation preparing said product shall cause a label to be attached to said can, pot, tin, canvas, or other receptacle or covering, under the supervision of an inspector, which label shall state that the contents thereof have been “inspected and passed” under the provisions of such sections; and no inspection and examination of meat or meat food products deposited or inclosed in cans, tins, pots, canvas, or other receptacle or covering in any establishment where inspection under the provisions of such sections is maintained shall be deemed to be complete until such meat or meat food products have been sealed or inclosed in said can, tin, pot, canvas, or other receptacle or covering under the supervision of an inspector, and no such meat or meat food products shall be sold or offered for sale by any person, firm, or corporation in interstate or foreign commerce under any false or deceptive name; but established trade name or names which are usual to such products and which are not false and deceptive and which shall be approved by the Secretary of Agriculture are permitted. (Mar. 4, 1907, ch. 2907, 34 Stat. 1262.)

§ 76. Sanitary inspection and regulation of slaughtering and packing establishments; rejection of meat or meat food products unfit for food.—The Secretary of Agriculture shall cause to be made, by experts in sanitation or by other competent inspectors, such inspection of all slaughtering, meat canning, salting, packing, rendering, or similar establishments in which cattle, sheep, swine, and goats are slaughtered and the meat and meat food products thereof are prepared for interstate or foreign commerce as may be necessary to inform himself concerning the sanitary conditions of the same, and to prescribe the rules and regulations of sanitation under which such establishments shall be maintained; and where the sanitary conditions of any such establishment are such that the meat or meat food products are rendered unclean, unsound, unhealthful, unwholesome, or otherwise unfit for human food, he shall refuse to allow said meat or meat food products to be labeled, marked, stamped, or tagged as “inspected and passed.” (Mar. 4, 1907, ch. 2907, 34 Stat. 1262.)

§ 77. Examination of cattle and food products thereof, slaughtered and prepared during nighttime.—The Secretary of Agriculture shall cause an examination and inspection of all cattle, sheep, swine, and goats, and the food products thereof, slaughtered and prepared in the establishments hereinbefore described for the purposes of interstate or foreign commerce to be made during the nighttime as well as during the daytime when the slaughtering of said cattle, sheep, swine, and goats, or the preparation of said food products is conducted during the nighttime. (Mar. 4, 1907, ch. 2907, 34 Stat. 1262.)

§ 78. Transportation of carcasses, meat, or meat food products not properly inspected and marked.—No person, firm, or corporation shall transport or offer for transportation, and no carrier of interstate or foreign commerce shall transport or receive for transportation from one State or Territory or the District of Columbia to any other State or Territory or the District of Columbia, or to any place under the jurisdiction of the United States, or to any foreign country, any carcasses or parts thereof, meat, or meat food products thereof which have not been inspected, examined, and marked as "Inspected and passed", in accordance with the terms of sections 71-93 of this title, and with the rules and regulations prescribed by the Secretary of Agriculture. (Mar. 4, 1907, ch. 2907, 34 Stat. 1262.)

§ 79. Forgery, alteration or unauthorized use of marks, labels, or other identification devices or certificates.—No person, firm, or corporation, or officer, agent, or employee thereof, shall forge, counterfeit, simulate, or falsely represent, or shall without proper authority use, fail to use, or detach, or shall knowingly or wrongfully alter, deface, or destroy, or fail to deface or destroy, any of the marks, stamps, tags, labels, or other identification devices provided for in sections 71-93 of this title, or in and as directed by the rules and regulations prescribed hereunder by the Secretary of Agriculture, on any carcasses, parts of carcasses, or the food product, or containers thereof, subject to the provisions of such sections or any certificate in relation thereto, authorized or required by such sections or by the said rules and regulations of the Secretary of Agriculture. (Mar. 4, 1907, ch. 2907, 34 Stat. 1263.)

§ 80. Inspection of animals for export.—The Secretary of Agriculture shall cause to be made a careful inspection of all cattle, sheep, swine, and goats intended and offered for export to foreign countries at such times and places, and in such manner as he may deem proper, to ascertain whether such cattle, sheep, swine, and goats are free from disease. (Mar. 4, 1907, ch. 2907, 34 Stat. 1263.)

§ 81. Inspectors of animals for export; certificates of condition.—For the purpose of section 80 of this title he may appoint inspectors who shall be authorized to give an official certificate clearly stating the condition in which such cattle, sheep, swine, and goats are found. (Mar. 4, 1907, ch. 2907, 34 Stat. 1263.)

§ 82. No clearance to vessel carrying cattle for export without inspector's certificate.—No clearance shall be given to any vessel having on board cattle, sheep, swine, or goats for export to a foreign country until the owner or shipper of such cattle, sheep, swine, or goats has a certificate from the inspector authorized to be appointed, stating that the said cattle, sheep, swine, or goats are sound and healthy, or unless the Secretary of Agriculture shall have waived the requirement of such certificate for export to the particular country to which such cattle, sheep, swine, or goats are to be exported. (Mar. 4, 1907, ch. 2907, 34 Stat. 1263.)

§ 83. Inspection of carcasses, meat of which is intended for export.—The Secretary of Agriculture shall also cause to be

made a careful inspection of the carcasses and parts thereof of all cattle, sheep, swine, and goats, the meat of which, fresh, salted, canned, corned, packed, cured, or otherwise prepared, is intended and offered for export to any foreign country, at such times and places and in such manner as he may deem proper. (Mar. 4, 1907, ch. 2907, 34 Stat. 1263.)

§ 84. **Inspectors of carcasses, and so forth, meat of which is intended for export; certificates of condition.**—For the purpose of section 83 of this title he may appoint inspectors who shall be authorized to give an official certificate stating the condition in which said cattle, sheep, swine, or goats, and the meat thereof, are found. (Mar. 4, 1907, ch. 2907, 34 Stat. 1263.)

§ 85. **No clearance to vessel carrying meat for export without inspector's certificate.**—No clearance shall be given to any vessel having on board any fresh, salted, canned, corned, or packed beef, mutton, pork, or goat meat, being the meat of animals killed except as hereinbefore provided for export to and sale in a foreign country from any port in the United States, until the owner or shipper thereof shall obtain from an inspector appointed under the provisions of sections 71-93 of this title a certificate that the said cattle, sheep, swine, and goats were sound and healthy at the time of inspection, and that their meat is sound and wholesome, unless the Secretary of Agriculture shall have waived the requirements of such certificate for the country to which said cattle, sheep, swine, and goats or meats are to be exported. (Mar. 4, 1907, ch. 2907, 34 Stat. 1263.)

§ 86. **Delivery or inspectors' certificates, and of copies.**—The inspectors provided for under sections 71-93 of this title shall be authorized to give official certificates of the sound and wholesome condition of the cattle, sheep, swine, and goats, their carcasses and products as described in said sections; and one copy of every certificate granted under the provisions of said sections shall be filed in the Department of Agriculture, another copy shall be delivered to the owner or shipper, and when the cattle, sheep, swine, and goats, or their carcasses and products are sent abroad, a third copy shall be delivered to the chief officer of the vessel on which the shipment shall be made. (Mar. 4, 1907, ch. 2907, 34 Stat. 1263.)

§ 87. **Transportation or sale of meat or meat food products without complying with provisions of inspection law.**—No person, firm, or corporation engaged in the interstate commerce of meat or meat food products shall transport or offer for transportation, sell or offer to sell, any such meat or meat food products in any State or Territory or in the District of Columbia or any place under the jurisdiction of the United States, other than in the State or Territory or in the District of Columbia or any place under the jurisdiction of the United States in which the slaughtering, packing, canning, rendering, or other similar establishment owned, leased, or operated by said firm, person, or corporation is located unless and until said person, firm, or corporation shall have complied with all of the provisions of sections 71-93 of this title. (Mar. 4, 1907, ch. 2907, 34 Stat. 1264.)

§ 88. Offenses; penalty.—Any person, firm, or corporation, or any officer or agent of any such person, firm, or corporation, who shall violate any of the provisions of sections 71-93 of this title shall be deemed guilty of a misdemeanor and shall be punished on conviction thereof by a fine of not exceeding \$10,000 or imprisonment for a period of not more than two years, or by both such fine and imprisonment, in the discretion of the court. (Mar. 4, 1907, ch. 2907, 34 Stat. 1264.)

§ 89. Inspectors to make examinations provided for; appointment; duties; regulations.—The Secretary of Agriculture shall appoint from time to time inspectors to make examination and inspection of all cattle, sheep, swine, and goats, the inspection of which is provided for under the provisions of sections 71-93 of this title, and of all carcasses and parts thereof, and of all meats and meat food products thereof, and of the sanitary conditions of all establishments in which such meat and meat food products hereinbefore described are prepared; and said inspectors shall refuse to stamp, mark, tag, or label any carcass or any part thereof, or meat food product therefrom, prepared in any establishment hereinbefore mentioned, until the same shall have actually been inspected and found to be sound, healthful, wholesome, and fit for human food, and to contain no dyes, chemicals, preservatives, or ingredients which render such meat food product unsound, unhealthful, unwholesome, or unfit for human food; and to have been prepared under proper sanitary conditions, hereinbefore provided for; and shall perform such other duties as are provided by said sections and by the rules and regulations to be prescribed by said Secretary of Agriculture; and said Secretary of Agriculture shall, from time to time, make such rules and regulations as are necessary for the efficient execution of the provisions of said sections, and all inspections and examinations made under said sections shall be such and made in such manner as described in the rules and regulations prescribed by said Secretary of Agriculture not inconsistent with provisions thereof. (Mar. 4, 1907, ch. 2907, 34 Stat. 1264.)

§ 90. Bribery of or gifts to inspectors or other officers and acceptance of gifts.—Any person, firm, or corporation, or any agent or employee of any person, firm, or corporation, who shall give, pay, or offer, directly or indirectly, to any inspector, deputy inspector, chief inspector, or any other officer or employee of the United States authorized to perform any of the duties prescribed by sections 71-93 of this title or by the rules and regulations of the Secretary of Agriculture any money or other thing of value, with intent to influence said inspector, deputy inspector, chief inspector, or other officer or employee of the United States in the discharge of any duty provided for in said sections, shall be deemed guilty of a felony, and, upon conviction thereof, shall be punished by a fine not less than \$5,000 nor more than \$10,000 and by imprisonment not less than one year nor more than three years; and any inspector, deputy inspector, chief inspector, or other officer or employee of the United States authorized to perform any of the duties prescribed by said sections who shall accept any money, gift, or other thing of value

from any person, firm, or corporation, or officers, agents, or employees thereof, given with intent to influence his official action, or who shall receive or accept from any person, firm, or corporation engaged in interstate or foreign commerce any gift, money, or other thing of value, given with any purpose or intent whatsoever, shall be deemed guilty of a felony and shall, upon conviction thereof, be summarily discharged from office and shall be punished by a fine not less than \$1,000 nor more than \$10,000 and by imprisonment not less than one year nor more than three years. (Mar. 4, 1907, ch. 2907, 34 Stat. 1264.)

§ 91. Inspection requirements as applicable to farmers or retailers; definitions; sale of meat and meat food products unfit for food; penalty.—Within the meaning of sections 71-96 of this title—

(a) A "farmer" means any person or partnership chiefly engaged in producing agricultural products on whose farm the number of cattle, calves, sheep, lambs, swine, or goats is in keeping with the size of the farm or with the volume or character of the agricultural products produced thereon, but does not mean any person or partnership engaged in producing agricultural products who—

(1) actively engages in buying or trading in cattle, calves, sheep, lambs, swine, or goats; or

(2) actively engages, directly or indirectly, in conducting a business which includes the slaughter of cattle, calves, sheep, lambs, swine, or goats for food purposes; or

(3) actively engages, directly or indirectly, in buying or selling meat or meat food products other than those prepared by any farmer on the farm; or

(4) actively engages, directly or indirectly, in salting, curing, or canning meat, or in preparing sausage, lard, or other meat food products; or

(5) slaughters, or permits any person to slaughter, on his or their farm cattle, calves, sheep, lambs, swine, or goats which are not actually owned by him or them.

(b) A "retail butcher" means any person, partnership, association, or corporation chiefly engaged in selling meat or meat food products to consumers only, except that the Secretary of Agriculture, at his discretion, may permit any retail butcher to transport in interstate or foreign commerce to consumers and meat retailers in any one week not more than five carcasses of cattle, twenty-five carcasses of calves, twenty carcasses of sheep, twenty-five carcasses of lambs, ten carcasses of swine, twenty carcasses of goats, or twenty-five carcasses of goat kids, or the equivalent of fresh meat therefrom, and to transport in interstate or foreign commerce to consumers only meat and meat food products which have been salted, cured, canned, or prepared as sausage, lard, or other meat food products, and which have not been inspected, examined, and marked as "Inspected and Passed" in accordance with the terms of sections 71-93 of this title, and Acts supplemental thereto, and with the rules and regulations prescribed by the Secretary of Agriculture.

(c) A "retail dealer" means any person, partnership, association, or corporation chiefly engaged in selling meat or meat food

products to consumers only except that the Secretary of Agriculture, at his discretion, may permit any retail dealer to transport in interstate trade or foreign commerce to consumers and meat retailers in any one week not more than five carcasses of cattle, twenty-five carcasses of calves, twenty carcasses of sheep, twenty-five carcasses of lambs, ten carcasses of swine, twenty carcasses of goats, or twenty-five carcasses of goat kids, or the equivalent of fresh meat therefrom, and to transport in interstate or foreign commerce to consumers only meat and meat products which has been salted, cured, canned, or prepared as sausage, lard, or other meat food products which have not been inspected, examined, and marked as "Inspected and Passed" in accordance with the terms of sections 71-93 of this title, and Acts supplemental thereto, and with the rules and regulations prescribed by the Secretary of Agriculture.

The provisions of sections 71-93 of this title, requiring inspection to be made by the Secretary of Agriculture shall not apply to animals slaughtered by any farmer on the farm and sold and transported in interstate or foreign commerce, nor to retail butchers and retail dealers in meat and meat food products, supplying their customers: *Provided*, That all meat and meat food products derived from animals slaughtered by any farmer on the farm which are salted, cured, canned, or prepared into sausage, lard, or other meat food products at any place other than by the farmer on the farm upon which the animals were slaughtered shall not be transported in interstate or foreign commerce under the farmers' exemption herein provided, and all fresh meat and all farm-cured or prepared meat and meat food products derived from animals slaughtered by any farmer on the farm which are to be used in interstate or foreign commerce shall be clearly marked with the name and address of the farmer on whose farm the animals were slaughtered: *Provided further*, That if any person shall sell or offer for sale or transportation for interstate or foreign commerce any meat or meat food products which are diseased, unsound, unhealthful, unwholesome, or otherwise unfit for human food, knowing that such meat food products are intended for human consumption, he shall be guilty of a misdemeanor and on conviction thereof shall be punished by a fine not exceeding \$1,000 or by imprisonment for a period of not exceeding one year, or by both such fine and imprisonment: *And provided further*, The Secretary of Agriculture is authorized to maintain the inspection in sections 71-93 of this title provided for at any slaughtering, meat canning, salting, packing, rendering, or similar establishment notwithstanding this exception, and that the persons operating the same may be retail butchers and retail dealers or farmers; and where the Secretary of Agriculture shall establish such inspection then the provisions of said sections shall apply notwithstanding this exception. (Mar. 4, 1907, ch. 2907, 34 Stat. 1265; June 29, 1938, ch. 810, 52 Stat. 1235.)

§ 94. **Inspection extended to reindeer.**—The provisions of sections 71-93 of this title may be extended to the inspection of reindeer. (June 30, 1914, ch. 131, 38 Stat. 420.)

§ 94a. Inspection of dairy products for export.—Sections 71-94 of this title shall be deemed to include dairy products intended for exportation to any foreign country, and the Secretary of Agriculture may apply, under rules and regulations to be prescribed by him, the provisions of said sections for inspection and certification appropriate for ascertaining the purity and quality of such products, and may cause the same to be so marked, stamped, or labeled as to secure their identity and make known in the markets of foreign countries to which they may be sent from the United States their purity, quality, and grade; and all the provisions of said sections relating to live cattle and products thereof for export shall apply to dairy products so inspected and certified. (May 23, 1908, ch. 192, 35 Stat. 254.)

§ 95. Appropriation for expenses of inspection.—Annual appropriations of the sum of \$3,000,000 from the general fund of the Treasury are authorized for the expenses of the inspection of cattle, sheep, swine, and goats and the meat and meat food products thereof which enter into interstate or foreign commerce and for all expenses necessary to carry into effect the provisions of sections 71-96 of this title, including rent and the employment of labor in Washington and elsewhere, for each year, and in addition there is authorized to be appropriated such other sums as may be necessary in the enforcement of the meat inspection laws (sections 71-96 of this title.) (June 30, 1906, ch. 3913, 34 Stat. 679; June 26, 1934, ch. 756, § 2, 48 Stat. 1225.)

§ 96. Marking horse meat transported in interstate commerce.—No person, firm, or corporation or officer, agent, or employee thereof shall transport or offer for transportation, and no carrier of interstate or foreign commerce shall transport or receive for transportation from one State or Territory or the District of Columbia to any other State or Territory or the District of Columbia or to any place under the jurisdiction of the United States or to any foreign country, any equine meat or food products thereof unless plainly and conspicuously labeled, marked, branded or tagged "Horse meat" or "Horse-meat Product", as the case may be, under such rules and regulations as may be prescribed by the Secretary of Agriculture. All the penalties, terms and provisions in sections 71-94 of this title, except the exemption therein applying to animals slaughtered by any farmer on a farm to retail butchers and retail dealers in meat food products supplying their customers, shall be applicable to horses, their carcasses, parts of carcasses, and meat food products thereof, and the establishments and other places where such animals are slaughtered or the meat or meat food products thereof are prepared or packed for the interstate or foreign commerce, and to all persons, firms, corporations and officers, agents and employees thereof who slaughter such animals or prepare or handle such meat or meat food products for interstate or foreign commerce. July 24, 1919, ch. 26, 41 Stat. 241.)

IMPORTATION OF CATTLE AND QUARANTINE

§ 101. Suspension of importation of all animals.—Whenever, in the opinion of the President, it shall be necessary for the pro-

tection of animals in the United States against infectious or contagious diseases, he may, by proclamation, suspend the importation of all or any class of animals for a limited time, and may change, modify, revoke, or renew such proclamation, as the public good may require; and during the time of such suspension the importation of any such animals shall be unlawful. (Aug. 30, 1890, ch. 839, § 9, 26 Stat. 416.)

§ 102. Quarantine of imported animals.—The Secretary of Agriculture is authorized, at the expense of the owner, to place and retain in quarantine all neat cattle, sheep, and other ruminants, and all swine, imported into the United States, at such ports as he may designate for such purpose, and under such conditions as he may by regulation prescribe, respectively, for the several classes of animals above described. For this purpose he may have and maintain possession of all lands, building, animals, tools, fixtures, and appurtenances in use on August 3, 1890, for the quarantine of neat cattle, and purchase, construct, or rent as may be necessary, and he may appoint veterinary surgeons, inspectors, officers, and employees by him deemed necessary to maintain such quarantine, and provide for the execution of the other provisions of sections 101-105 of this title. (Aug. 30, 1890, ch. 839, § 7, 26 Stat. 416.)

§ 103. Importation, except at quarantine ports, prohibited; slaughter of infected animals; appraisal; payment.—The importation of all animals described in sections 101-105 of this title into any port in the United States, except such as may be designated by the Secretary of Agriculture, with the approval of the Secretary of the Treasury, as quarantine stations, is prohibited. The Secretary of Agriculture may cause to be slaughtered such of the animals named in said sections as may be, under regulations prescribed by him, adjudged to be infected with any contagious disease, or to have been exposed to infection so as to be dangerous to other animals. The value of animals so slaughtered as being so exposed to infection but not infected may be ascertained by agreement of the Secretary of Agriculture and the owners thereof if practicable; otherwise, by the appraisal by two persons familiar with the character and value of such property, to be appointed by the Secretary of Agriculture, whose decision, if they agree, shall be final; otherwise, the Secretary of Agriculture shall decide between them, and his decision shall be final. The amount of the value thus ascertained shall be paid to the owner thereof out of money in the Treasury appropriated for the use of the Bureau of Animal Industry; but no payment shall be made for any animal imported in violation of the provisions of the sections hereinbefore enumerated. If any animals subject to quarantine according to the provisions of said sections are brought into any port of the United States where no quarantine station is established, the collector of such port shall require the same to be conveyed, by the vessel on which they are imported or are found, to the nearest quarantine station at the expense of the owner. (Aug. 30, 1890, ch. 839, § 8, 26 Stat. 416.)

§ 104. Importation of diseased animals prohibited.—The importation of cattle, sheep, and other ruminants, and swine,

which are diseased or infected with any disease, or which shall have been exposed to such infection within sixty days next before their exportation, is prohibited: *Provided*, That the Secretary of Agriculture within his discretion and under such regulations as he may prescribe, is authorized to permit the admission from Mexico into the State of Texas of cattle which have been infested with or exposed to ticks upon being freed therefrom. Any person who shall knowingly violate the foregoing provision shall be deemed guilty of a misdemeanor and shall, on conviction, be punished by a fine not exceeding \$5,000, or by imprisonment not exceeding three years, and any vessel or vehicle used in such unlawful importation within the knowledge of the master or owner of such vessel or vehicle that such importation is diseased or has been exposed to infection as herein described, shall be forfeited to the United States. (Aug. 30, 1890, ch. 839, § 6, 26 Stat. 416; June 28, 1926, ch. 700, § 2, 44 Stat. 775; Feb. 28, 1931, ch. 348, 46 Stat. 1460.)

§ 105. **Inspection of animals imported or intended for export.**—The Secretary of Agriculture shall cause careful inspection to be made by a suitable officer of all imported animals described in sections 101-104 of this title, to ascertain whether such animals are infected with contagious diseases or have been exposed to infection so as to be dangerous to other animals, which shall then either be placed in quarantine or dealt with according to the regulations of the Secretary of Agriculture. All food, litter, manure, clothing, utensils, and other appliances that have been so related to such animals on board ship as to be judged liable to convey infection shall be dealt with according to the regulations of the Secretary of Agriculture. The Secretary of Agriculture may cause inspection to be made of all animals described in such sections intended for exportation, and provide for the disinfection of all vessels engaged in the transportation thereof, and of all barges or other vessels used in the conveyance of such animals intended for export to the ocean steamer or other vessels, and of all attendants and their clothing, and of all headropes and other appliances used in such exportation, by such orders and regulations as he may prescribe; and if, upon such inspection, any such animals shall be adjudged, under the regulations of the Secretary of Agriculture, to be infected or to have been exposed to infection so as to be dangerous to other animals, they shall not be allowed to be placed upon any vessel for exportation; the expense of all the inspection and disinfection provided for in this section to be borne by the owners of the vessels on which such animals are exported. (Aug. 30, 1890, ch. 839, § 10, 26 Stat. 417.)

PREVENTION OF INTRODUCTION AND SPREAD OF CONTAGION

§ 111. **Regulations to prevent contagious diseases.**—The Secretary of Agriculture shall have authority to make such regulations and take such measures as he may deem proper to prevent the introduction or dissemination of the contagion of any contagious, infectious, or communicable disease of animals and/or

live poultry from a foreign country into the United States or from one State or Territory of the United States or the District of Columbia to another, and to seize, quarantine, and dispose of any hay, straw, forage, or similar material, or any meats, hides, or other animal products coming from an infected foreign country to the United States, or from one State or Territory or the District of Columbia in transit to another State or Territory or the District of Columbia whenever in his judgment such action is advisable in order to guard against the introduction or spread of such contagion. (Feb. 2, 1903, ch. 349, § 2, 32 Stat. 792; Feb. 7, 1928, ch. 30, 45 Stat. 59.)

§ 112. Investigations as to pleuropneumonia, and other diseases; regulations.—In order to promote the exportation of livestock and/or live poultry from the United States the Secretary of Agriculture shall make special investigation as to the existence of pleuropneumonia, or any contagious, infectious, or communicable disease, along the dividing lines between the United States and foreign countries, and along the lines of transportation from all parts of the United States to ports from which livestock and/or live poultry are exported, and shall, from time to time, establish such regulations concerning the exportation and transportation of livestock and/or live poultry as the results of said investigations may require. (May 29, 1884, ch. 60, § 4, 23 Stat. 32; Feb. 2, 1903, ch. 349, § 1, 32 Stat. 791; Feb. 7, 1928, ch. 30, 45 Stat. 59.)

§ 113. Measures to prevent exportation of diseased livestock and live poultry.—In order to prevent the exportation from any port of the United States to any port in a foreign country of livestock and/or live poultry affected with any contagious, infectious, or communicable disease, and especially pleuropneumonia, the Secretary of Agriculture is authorized to take such steps and adopt such measures, not inconsistent with the provisions of sections 111-119 of this title, as he may deem necessary. (May 29, 1884, ch. 60, § 5, 23 Stat. 32; Feb. 2, 1903, ch. 349, § 1, 32 Stat. 791; Feb. 7, 1928, ch. 30, 45 Stat. 59.)

§ 114. Regulations for suppression of diseases; cooperation of States and Territories.—It shall be the duty of the Secretary of Agriculture to prepare such rules and regulations as he may deem necessary for the speedy and effectual suppression and extirpation of pleuropneumonia and other dangerous, contagious, infectious, and communicable diseases, and to certify such rules and regulations to the executive authority of each State and Territory, and invite said authorities to cooperate in the execution and enforcement of the provisions of sections 111-115, 117-119, and 130 of this title. Whenever the plans and methods of the Secretary of Agriculture shall be accepted by any State or Territory in which pleuropneumonia or other contagious, infectious, or communicable disease is declared to exist, or such State or Territory shall have adopted plans and methods for the suppression and extirpation of said diseases, and such plans and methods shall be accepted by the Secretary of Agriculture, and whenever the governor of a State or other properly constituted authorities signify their readiness to cooperate for the extinction of any contagious, in-

fectious, or communicable disease in conformity with the provisions of the sections hereinbefore enumerated, the Secretary of Agriculture is authorized to expend so much of the money appropriated for carrying out the provisions of said sections as may be necessary in such investigations, and in such disinfection and quarantine measures as may be necessary to prevent the spread of the disease from one State or Territory into another. (May 29, 1884, ch. 60, § 3, 23 Stat. 32; Feb. 7, 1928, ch. 30, 45 Stat. 59.)

§ 114a. Control and eradication of diseases; cooperation of States and farmers' associations; purchase and destruction of diseased animals; definition of State.—The Secretary of Agriculture, either independently or in cooperation with States or political subdivisions thereof, farmers' associations, and similar organizations, and individuals, is authorized to control and eradicate tuberculosis and paratuberculosis of animals, avian tuberculosis, Bang's disease of cattle, southern cattle ticks, hog cholera and related swine diseases, scabies in sheep and cattle, dourine in horses, and contagious or infectious diseases of animals (such as foot-and-mouth disease, rinder-pest, and contagious pleuropneumonia) which in the opinion of the Secretary constitute an emergency and threaten the livestock industry of the country, including the purchase and destruction of diseased or exposed animals (including poultry), or the destruction of such animals and the payment of indemnities therefor, in accordance with such regulations as the Secretary may prescribe. As used in this section, the term "State" includes the District of Columbia and the Territories and possessions of the United States. (May 29, 1884, ch. 60, § 11, as added Sept. 21, 1944, ch. 412, title I, § 101 (a), 58 Stat. 734.)

CODIFICATION

This section was enacted by the Department of Agriculture Organic Act of 1944.

APPROPRIATIONS

Section 101 (g) of act Sept. 21, 1944, cited to text, provided that Congress may appropriate such funds as are necessary to accomplish the purpose of this section.

§ 115. Transportation of diseased livestock and live poultry prohibited; splenetic fever.—No railroad company within the United States, or the owners or masters of any steam or sailing or other vessel or boat, shall receive for transportation or transport from one State or Territory to another, or from any State into the District of Columbia, or from the District into any State, any livestock and/or live poultry affected with any contagious, infectious, or communicable disease, and especially the disease known as pleuropneumonia; nor shall any person, company, or corporation deliver for such transportation to any railroad company, or master or owner of any boat or vessel, any livestock and/or live poultry, knowing them to be affected with any contagious, infectious, or communicable disease; nor shall any person, company, or corporation drive on foot, or transport in private conveyance from one State or Territory to another, or from any State into the District of Columbia, or from the District into any State, any livestock and/or live poultry, knowing them

to be affected with any contagious, infectious, or communicable disease, and especially the disease known as pleuropneumonia. (May 29, 1884, ch. 60, § 6, 23 Stat. 32; June 28, 1926, ch. 700, § 1, 44 Stat. 774; Feb. 7, 1928, ch. 30, 45 Stat. 59.)

CODIFICATION

Act May 29, 1884, as amended by act June 28, 1926, cited to text, also contained the following proviso: "That until May 1, 1928, cattle infested with or exposed to cattle fever ticks may be shipped in interstate commerce for immediate slaughter after one dipping in accordance with such regulations as the Secretary of Agriculture may prescribe."

§ 116. Same; shipment of certain cattle excepted.—Cattle which have reacted to the tuberculin test may be shipped, transported, or moved from one State, Territory, or the District of Columbia to any other State, Territory, or the District of Columbia, for immediate slaughter, in accordance with such rules and regulations as shall be prescribed by the Secretary of Agriculture. The said Secretary of Agriculture may, in his discretion, and under such rules and regulations as he may prescribe, permit cattle which have been shipped for breeding or feeding purposes from one State, Territory, or the District of Columbia to another State, Territory, or the District of Columbia, and which have reacted to the tuberculin test subsequent to such shipment, to be re-shipped in interstate commerce to the original owner. (May 31, 1920, ch. 217, 41 Stat. 699.)

§ 117. Notice of existence of contagion to railroads; transportation of diseased stock or live poultry; penalty.—It shall be the duty of the Secretary of Agriculture to notify, in writing, the proper officials or agents of any railroad, steamboat, or other transportation company doing business in or through any infected locality, and by publication in such newspapers as he may select, of the existence of said contagion; and any person or persons operating any such railroad, or master or owner of any boat or vessel, or owner or custodian of or person having control over such cattle or other livestock and/or live poultry within such infected district, who shall knowingly violate the provisions of section 115 of this title shall be guilty of a misdemeanor and, upon conviction, shall be punished by a fine of not less than \$100 nor more than \$5,000 or by imprisonment for not more than one year, or by both such fine and imprisonment. (May 29, 1884, ch. 60, § 7, 23 Stat. 32; Feb. 7, 1928, ch. 30, 45 Stat. 59.)

§ 118. Duty of district attorneys.—It shall be the duty of the several United States district attorneys to prosecute all violations of sections 112-115, 117-119, and 130 of this title which shall be brought to their notice or knowledge by any person making the complaint under oath; and the same shall be heard before any district court of the United States or Territorial court holden within the district in which such violation has been committed. (May 29, 1884, ch. 60, § 9, 23 Stat. 33; Mar. 3, 1911, ch. 231, § 289, 36 Stat. 1167; Feb. 7, 1928, ch. 30, 45 Stat. 59.)

§ 119. Agents to examine and report on methods of treatment of animals, and means for suppression of diseases.—The Secretary of Agriculture is authorized to appoint two competent agents, who shall be practical stock raisers or experienced busi-

ness men familiar with questions pertaining to commercial transactions in livestock and/or live poultry, whose duty it shall be, under the instructions of the said Secretary of Agriculture, to examine and report upon the best methods of treating, transporting, and caring for animals, and the means to be adopted for the suppression and extirpation of contagious pleuropneumonia, and to provide against the spread of other dangerous contagious, infectious, and communicable diseases. The compensation of said agents shall be at the rate of \$10 per diem, with all necessary expenses, while engaged in the actual performance of their duties under sections 111-115, 117, and 118 of this title, when absent from their usual place of business or residence as such agent. (May 29, 1884, ch. 60, § 2, 23 Stat. 31; Feb. 9, 1889, ch. 122, § 1, 25 Stat. 659; July 14, 1890, ch. 707, 26 Stat. 288; Feb. 7, 1928, ch. 30, 45 Stat. 59.)

§ 120. Regulation of exportation and transportation of infected livestock and live poultry.—In order to enable the Secretary of Agriculture to effectually suppress and extirpate contagious pleuropneumonia, foot-and-mouth disease, and other dangerous contagious, infectious, and communicable diseases in cattle and other livestock and/or live poultry, and to prevent the spread of such diseases, he is authorized and directed from time to time to establish such rules and regulations concerning the exportation and transportation of livestock and/or live poultry from any place within the United States where he may have reason to believe such diseases may exist into and through any State or Territory, and into and through the District of Columbia and to foreign countries as he may deem necessary, and all such rules and regulations shall have the force of law. (May 29, 1884, ch. 60, §§ 4, 5, 23 Stat. 32; Feb. 2, 1903, ch. 349, § 1, 32 Stat. 791; Feb. 7, 1928, ch. 30, 45 Stat. 59.)

§ 121. Shipments from areas suspected infected; control of animals and live poultry.—Whenever any inspector or assistant inspector of the Bureau of Animal Industry shall issue a certificate showing that such officer had inspected any cattle or other livestock and/or live poultry which were about to be shipped, driven, or transported from such locality to another as stated in section 120 preceding, and had found them free from Texas or splenic fever infection, pleuropneumonia, foot-and-mouth disease, or any other infectious, contagious, or communicable disease, such animals, so inspected and certified, may be shipped, driven, or transported from such place into and through any State or Territory, and into and through the District of Columbia, or they may be exported from the United States without further inspection or the exaction of fees of any kind, except such as may at any time be ordered or exacted by the Secretary of Agriculture; and all such animals shall at all times be under the control and supervision of the Bureau of Animal Industry of the Agricultural Department for the purposes of such inspection. (Feb. 2, 1903, ch. 349, § 1, 32 Stat. 791; Feb. 7, 1928, ch. 30, 45 Stat. 59.)

§ 122. Offenses; penalty.—Any person, company, or corporation knowingly violating the provisions of sections 111, 120, or

121 of this title or the orders or regulations made in pursuance thereof shall be guilty of a misdemeanor, and on conviction shall be punished by a fine of not less than \$100 nor more than \$1,000, or by imprisonment not more than one year, or by both such fine and imprisonment. (Feb. 2, 1903, ch. 349, § 3, 32 Stat. 792; Feb. 7, 1928, ch. 30, 45 Stat. 59.)

§ 123. **Quarantine.**—The Secretary of Agriculture is authorized and directed to quarantine any State or Territory or the District of Columbia, or any portion of any State or Territory or the District of Columbia, when he shall determine the fact that cattle or other livestock and/or live poultry in such State or Territory or District of Columbia are affected with any contagious, infectious, or communicable disease; and the Secretary of Agriculture is directed to give written or printed notice of the establishment of quarantine to the proper officers of railroad, steamboat, or other transportation companies doing business in or through any quarantined State or Territory or the District of Columbia, and to publish in such newspapers in the quarantined State or Territory or the District of Columbia, as the Secretary of Agriculture may select, notice of the establishment of quarantine. (Mar. 3, 1905, ch. 1496, § 1, 33 Stat. 1264; Feb. 7, 1928, ch. 30, 45 Stat. 59.)

§ 124. **Transportation or delivery therefor from quarantined State or Territory or portion thereof, of livestock and live poultry, forbidden.**—No railroad company or the owners or masters of any steam or sailing or other vessel or boat shall receive for transportation or transport from any quarantined State or Territory or the District of Columbia, or from the quarantined portion of any State or Territory or the District of Columbia, any cattle or other livestock, and/or live poultry, except as hereinafter provided; nor shall any person, company, or corporation deliver for such transportation to any railroad company, or to the master or owner of any boat or vessel, any cattle or other livestock and/or live poultry, except as hereinafter provided; nor shall any person, company, or corporation drive on foot, or cause to be driven on foot, or transport in private conveyance or cause to be transported in private conveyance, from a quarantined State or Territory or the District of Columbia, or from the quarantined portion of any State or Territory or the District of Columbia, into any other State or Territory or the District of Columbia, any cattle or other livestock and/or live poultry, except as hereinafter provided. (Mar. 3, 1905, ch. 1496, § 2, 33 Stat. 1264; Feb. 7, 1928, ch. 30, 45 Stat. 59.)

§ 125. **Regulations for inspection, disinfection, and certification, and delivery and shipment of livestock and live poultry from quarantined State or Territory.**—It shall be the duty of the Secretary of Agriculture, and he is authorized and directed, when the public safety will permit, to make and promulgate rules and regulations which shall permit and govern the inspection, disinfection, certification, treatment, handling, and method and manner of delivery and shipment of cattle or other livestock and/or live poultry from a quarantined State or Territory or the District of Columbia, and from the quarantined portion of any

State or Territory or the District of Columbia, into any other State or Territory or the District of Columbia; and the Secretary of Agriculture shall give notice of such rules and regulations in the manner provided in section 124 of this title for notice of establishment of quarantine. (Mar. 3, 1905, ch. 1496, § 3, 33 Stat. 1265; Feb. 7, 1928, ch. 30, 45 Stat. 59.)

§ 126. Moving livestock and live poultry from quarantined State or Territory under regulations.—Cattle or other livestock and/or live poultry may be moved from a quarantined State or Territory or the District of Columbia, or from the quarantined portion of any State or Territory or the District of Columbia, into any other State or Territory or the District of Columbia, under and in compliance with the rules and regulations of the Secretary of Agriculture, made and promulgated in pursuance of the provisions of section 125 of this title; but it shall be unlawful to move, or to allow to be moved, any cattle or other livestock and/or live poultry from any quarantined State or Territory or the District of Columbia, or from the quarantined portion of any State or Territory or the District of Columbia, into any other State or Territory or the District of Columbia, in manner or method or under conditions other than those prescribed by the Secretary of Agriculture. (Mar. 3, 1905, ch. 1496, § 4, 33 Stat. 1265; Feb. 7, 1928, ch. 30, 45 Stat. 59.)

§ 127. Transportation from quarantined State, Territory, and so forth; penalty.—Any person, company, or corporation violating the provisions of sections 124 or 126 of this title shall be guilty of a misdemeanor, and on conviction shall be punished by a fine of not less than \$100 nor more than \$1,000, or by imprisonment not more than one year, or by both such fine and imprisonment. (Mar. 3, 1905, ch. 1496, § 6, 33 Stat. 1265.)

§ 128. Extension of quarantine law to carriers in interstate commerce.—The provisions of sections 123-127 of this title and of section 118 of Title 18 shall apply to any railroad company or other common carrier whose road or line forms any part of a route over which cattle or other livestock and/or live poultry are transported in the course of shipment from any quarantined State or Territory or the District of Columbia, or from the quarantined portion of any State or Territory or the District of Columbia, into any other State or Territory or the District of Columbia. (June 30, 1914, ch. 131, 38 Stat. 419; Feb. 7, 1928, ch. 30, 45 Stat. 59.)

§ 129. Payment for animals purchased; computation of value, and amount paid.—In case of an emergency arising out of the existence of foot-and-mouth disease, rinderpest, contagious pleuropneumonia, or other contagious or infectious diseases of animals, which, in the opinion of the Secretary, threatens the livestock industry of the country, he may expend in the city of Washington or elsewhere any unexpended balances of appropriations heretofore made for this purpose, not to exceed \$305,000, in the arrest and eradication of any such disease, including the payment of claims growing out of past and future purchases and destruction, in cooperation with the States, of animals affected

by or exposed to, or of materials contaminated by or exposed to, any such disease, wherever found and irrespective of ownership, under like or substantially similar circumstances, when such owner has complied with all lawful quarantine regulations: *Provided*, That the payment for animals hereafter purchased may be made on appraisement based on the meat, dairy, or breeding value, but in case of appraisement based on breeding value no appraisement of any animal shall exceed three times its meat or dairy value, and, except in case of an extraordinary emergency, to be determined by the Secretary, the payment by the United States Government for any animals shall not exceed one-half of any such appraisements. (June 25, 1940, ch. 421, § 1, 54 Stat. 542; July 1, 1941, ch. 267, § 1, 55 Stat. 418; July 22, 1942, ch. 516, § 1, 56 Stat. 676; July 12, 1943, ch. 215, § 1, 57 Stat. 403; June 28, 1944, ch. 296, § 1, 58 Stat. 434.)

§ 130. Pleuropneumonia in District of Columbia; duties of Commissioners.—Wherever any contagious, infectious or communicable disease affecting domestic animals or live poultry, and especially the disease known as pleuropneumonia, shall be brought into or shall break out in the District of Columbia, it shall be the duty of the commissioners of said District to take measures to suppress the same promptly and to prevent the same from spreading; and for this purpose the said commissioners are empowered to order and require that any premises, farm, or farms where such disease exists, or has existed, be put in quarantine; to order all or any animals coming into the District to be detained at any place or places for the purpose of inspection and examination; to prescribe regulations for and to require the destruction of animals or live poultry affected with contagious, infectious, or communicable disease, and for the proper disposition of their hides and carcasses; to prescribe regulations for disinfection, and such other regulations as they may deem necessary to prevent infection or contagion being communicated, and shall report to the Secretary of Agriculture whatever they may do in pursuance of the provisions of this section. (May 29, 1884, ch. 60, § 8, 23 Stat. 33; Feb. 7, 1928, ch. 30, 45 Stat. 59.)

CROSS REFERENCE

Diseases and quarantine in the District of Columbia, see sections 111 and 123-127 of this title.

§ 131. Fences along international boundary lines to keep out diseased animals.—The Secretary of Agriculture may permit the erection of fences along international boundary lines, but entirely within the territory of the United States, for the purpose of keeping out diseased animals. (May 26, 1910, ch. 256, 36 Stat. 440.)

IMPORTATION OF MILK OR CREAM

§ 142. Milk or cream when unfit for importation.—Milk or cream shall be considered unfit for importation (1) when all cows producing such milk or cream are not healthy and a physical examination of all such cows has not been made within one year previous to such milk being offered for importation; (2) when

such milk or cream, if raw, is not produced from cows which have passed a tuberculin test applied by a duly authorized official veterinarian of the United States, or of the country in which such milk or cream is produced, within one year previous to the time of the importation, showing that such cows are free from tuberculosis; (3) when the sanitary conditions of the dairy farm or plant in which such milk or cream is produced or handled do not score at least fifty points out of one hundred points according to the methods for scoring as provided by the score cards, used by the Bureau of Dairy Industry of the United States Department of Agriculture at the time such dairy farms or plants are scored; (4) in the case of raw milk if the number of bacteria per cubic centimeter exceeds three hundred thousand and in the case of raw cream seven hundred and fifty thousand, in the case of pasteurized milk if the number of bacteria per cubic centimeter exceeds one hundred thousand, and in the case of pasteurized cream five hundred thousand; (5) when the temperature of milk or cream at the time of importation exceeds fifty degrees Fahrenheit. (Feb. 15, 1927, ch. 155, § 2, 44 Stat. 1101.)

VIRUSES, SERUMS, TOXINS, ANTI-TOXINS, AND ANALOGOUS PRODUCTS

§ 151. Preparation and sale of worthless or harmful products for domestic animals prohibited; preparation to be in compliance with rules at licensed establishments.—It shall be unlawful for any person, firm, or corporation to prepare, sell, barter, or exchange in the District of Columbia, or in the Territories, or in any place under the jurisdiction of the United States, or to ship or deliver for shipment from one State or Territory or the District of Columbia, to any other State or Territory or the District of Columbia, any worthless, contaminated, dangerous, or harmful virus, serum, toxin, or analogous product intended for use in the treatment of domestic animals, and no person, firm, or corporation shall prepare, sell, barter, exchange, or ship as aforesaid any virus, serum, toxin, or analogous product manufactured within the United States and intended for use in the treatment of domestic animals, unless and until the said virus, serum, toxin, or analogous product shall have been prepared, under and in compliance with regulations prescribed by the Secretary of Agriculture, at an establishment holding an unsuspended and unrevoked license issued by the Secretary of Agriculture as hereinafter authorized. Mar. 4, 1913, ch. 145, 37 Stat. 832.)

§ 152. Importation regulated and prohibited.—The importation into the United States, without a permit from the Secretary of Agriculture, of any virus, serum, toxin, or analogous product for use in the treatment of domestic animals, and the importation of any worthless, contaminated, dangerous, or harmful virus, serum, toxin, or analogous product for use in the treatment of domestic animals, are prohibited. (Mar. 4, 1913, ch. 145, 37 Stat. 832.)

§ 153. Inspection of imports; denial of entry and destruction.—The Secretary of Agriculture is authorized to cause the Bureau

of Animal Industry to examine and inspect all viruses, serums, toxins, and analogous products, for use in the treatment of domestic animals, which are being imported or offered for importation into the United States, to determine whether such viruses, serums, toxins, and analogous products are worthless, contaminated, dangerous, or harmful, and if it shall appear that any such virus, serum, toxin, or analogous product, for use in the treatment of domestic animals, is worthless, contaminated, dangerous, or harmful, the same shall be denied entry and shall be destroyed or returned at the expense of the owner or importer. (Mar. 4, 1913, ch. 145, 37 Stat. 832.)

§ 154. Regulations for preparation and sale; licenses.—The Secretary of Agriculture is authorized to make and promulgate from time to time such rules and regulations as may be necessary to prevent the preparation, sale, barter, exchange, or shipment as aforesaid of any worthless, contaminated, dangerous, or harmful virus, serum, toxin, or analogous product for use in the treatment of domestic animals, and to issue, suspend, and revoke licenses for the maintenance of establishments for the preparation of viruses, serums, toxins, and analogous products, for use in the treatment of domestic animals, intended for sale, barter, exchange, or shipment as aforesaid. (Mar. 4, 1913, ch. 145, 37 Stat. 832.)

§ 155. Permits for importation.—The Secretary of Agriculture is authorized to issue permits for the importation into the United States of viruses, serums, toxins, and analogous products, for use in the treatment of domestic animals, which are not worthless, contaminated, dangerous, or harmful. (Mar. 4, 1913, ch. 145, 37 Stat. 833.)

§ 156. Licenses conditioned on permitting inspection; suspension of licenses.—All licenses issued under authority of this chapter to establishments where such viruses, serums, toxins, or analogous products are prepared for sale, barter, exchange, or shipment as aforesaid, shall be issued on condition that the licensee shall permit the inspection of such establishments and of such products and their preparation; and the Secretary of Agriculture may suspend or revoke any permit or license issued under authority of said chapter, after opportunity for hearing has been granted the licensee or importer, when the Secretary of Agriculture is satisfied that such license or permit is being used to facilitate or effect the preparation, sale, barter, exchange, or shipment as aforesaid, or the importation into the United States of any worthless, contaminated, dangerous, or harmful virus, serum, toxin, or analogous product for use in the treatment of domestic animals. (Mar. 4, 1913, ch. 145, 37 Stat. 833.)

§ 157. Same; inspection daytime or nighttime.—Any officer, agent, or employee of the Department of Agriculture duly authorized by the Secretary of Agriculture for the purpose may, at any hour during the daytime or nighttime, enter and inspect any establishment licensed under the provisions of this chapter where any virus, serum, toxin, or analogous product for use in the treatment of domestic animals is prepared for sale, barter, exchange, or shipment as aforesaid. (Mar. 4, 1913, ch. 145, 37 Stat. 833.)

§ 158. Offenses; punishment.—Any person, firm, or corporation who shall violate any of the provisions of this chapter shall be deemed guilty of a misdemeanor, and shall, upon conviction, be punished by a fine of not exceeding \$1,000 or by imprisonment not exceeding one year, or by both such fine and imprisonment, in the discretion of the court. (Mar. 4, 1913, ch. 145, 37 Stat. 833.)

FEDERAL FOOD DRUG AND COSMETIC ACT

§ 372. Examinations and investigations.

* * * * *

(c) Records of other departments and agencies.—For purposes of enforcement of this chapter, records of any department or independent establishment in the executive branch of the Government shall be open to inspection by any official of the Federal Security Agency duly authorized by the Administrator to make such inspection. (June 25, 1938, ch. 675, § 702, 52 Stat. 1056; Reorg. Plan No. IV, § 12, eff. June 30, 1940, 5 Fed. Reg. 2422, 54 Stat. 1237.)

TITLE 22—FOREIGN RELATIONS AND INTERCOURSE

DIPLOMATIC AND CONSULAR SERVICE GENERALLY

§ 80. Commercial and agricultural reports.—Consuls of the United States in foreign countries shall procure and transmit to the Department of State authentic commercial information respecting such countries of such character and in such manner and form and at such times as the department may from time to time prescribe. And they shall also procure and transmit to the Department of State, for the use of the Agricultural Department, monthly reports relative to the character, condition, and respective yields of the agricultural and horticultural industries and other fruiteries of the country in which they are respectively stationed; and the Secretary of Agriculture is hereby required and directed to embody the information thus obtained, or so much thereof as he may deem material and important, in his monthly bulletin of crop reports. (R. S. § 1712; June 18, 1888, ch. 393, 25 Stat. 186; Feb. 9, 1889, ch. 122, §§ 1, 4, 25 Stat. 659; July 14, 1890, ch. 707, 26 Stat. 288; Apr. 5, 1906, ch. 1366, § 3, 34 Stat. 100.)

DERIVATION

Act Aug. 18, 1856, ch. 170, § 1, 11 Stat. 139.

§ 82. Reports as to current prices of merchandise, etc., and as to agricultural conditions.—Every consular officer shall furnish to the Secretary of the Treasury, as often as shall be required, the prices current of all articles of merchandise usually exported to the United States from the port or place in which he is situated; and he shall also furnish to the Secretary of the Treasury, at least once in twelve months, the prices current of all articles of merchandise, including those of the farm, the garden, and the orchard, that are imported through the port or place in which he

is stationed. And he shall also report as to the character of agricultural implements in use, and whether they are imported to or manufactured in that country; as to the character and extent of agricultural and horticultural pursuits there. That part of the information thus obtained which pertains to agriculture shall be transmitted by the Secretary of the Treasury, as soon as the same shall have been received by him, to the Secretary of Agriculture, who shall include the same, or so much thereof as he may deem material and important, in his annual reports, stating the said prices in dollars and cents, and rendering tables of foreign weights and measures into their American equivalents. (R. S. § 1713; June 18, 1888, ch. 393, 25 Stat. 186; Feb. 9, 1889, ch. 122, §§ 1, 4, 25 Stat. 659.)

DERIVATION

Act Aug. 18, 1856, ch. 127, § 27, 11 Stat. 62.

PASSPORTS

§ 214. Fees for passport; persons excused from payment.—There shall be collected and paid into the Treasury of the United States quarterly a fee of \$1 for executing each application for a passport and \$9 for each passport issued to a citizen or person owing allegiance to or entitled to the protection of the United States: *Provided*, That nothing herein contained shall be construed to limit the right of the Secretary of State by regulation to authorize the retention by State officials of the fee of \$1 for executing an application for a passport: *And provided further*, That no fee shall be collected for passports issued to officers or employees of the United States proceeding abroad in the discharge of their official duties, or to members of their immediate families, or to seamen, or to widows, children, parents, brothers, and sisters of American soldiers, sailors, or marines, buried abroad whose journey is undertaken for the purpose and with the intent of visiting the graves of such soldiers, sailors, or marines, which facts shall be made a part of the application for the passport. (June 4, 1920, ch. 223, § 1, 41 Stat. 750.)

INTERNATIONAL BUREAUS, CONGRESSES, ETC.

§ 262. President's participation in international congresses restricted.—The Executive shall not extend or accept any invitation to participate in any international congress, conference, or like event, without first having specific authority of law to do so. (Mar. 4, 1913, ch. 149, § 1, 37 Stat. 913.)

FOREIGN SERVICE BUILDINGS

§ 292. Acquisition of sites and buildings for diplomatic and consular establishments; allotment of space.—The Secretary of State is empowered, subject to the direction of the commission established by section 293 of this title, to acquire by purchase or construction in the manner provided by sections 293 and 294 of this title, within the limits of appropriations made pursuant to section 295 of this title, or by exchange, in whole or in part, under such terms and conditions as in the judgment of the com-

mission may best protect the interests of the United States, of any building or grounds of the United States in foreign countries and under the jurisdiction and control of the Secretary of State, sites and buildings in foreign capitals and in other foreign cities, and to alter, repair, and furnish such buildings for the use of the diplomatic and consular establishments of the United States, or for the purpose of consolidating, to the extent deemed advisable by the commission, within one or more buildings, the embassies, legation, consulates, and other agencies of the United States Government there maintained, which buildings shall be appropriately designated by the commission, and the space in which shall be allotted by the Secretary of State under the direction of the commission among the several agencies of the United States Government. (May 7, 1926, ch. 250, § 1, 44 Stat. 403; May 29, 1928, ch. 876, § 1, 45 Stat. 971.)

FOREIGN WARS, WAR MATERIALS AND NEUTRALITY

§ 411. Lease, loan, etc., of war materials in interest of United States defense; definitions.—As used in sections 411-419 of this title—

(a) The term “defense article” means—

- (1) Any weapon, munition, aircraft, vessel, or boat;
- (2) Any machinery, facility, tool, material, or supply necessary for the manufacture, production, processing, repair, servicing, or operation of any article described in this subsection;
- (3) Any component material or part of or equipment for any article described in this subsection;
- (4) Any agricultural, industrial or other commodity or article for defense.

Such term “defense article” includes any article described in this subsection: Manufactured or procured pursuant to section 412, or to which the United States or any foreign government has or hereafter acquires title, possession, or control.

(b) The term “defense information” means any plan, specification, design, prototype, or information pertaining to any defense article. (Mar. 11, 1941, ch. 11, § 2, 55 Stat. 31.)

SHORT TITLES OF SECTIONS 411-419

Sections 411-419 of this title, popularly known as the “Lease-Lend Act,” “may be cited as ‘An Act to Promote the Defense of the United States’” by section 1 of act Mar. 11, 1941, cited to text.

SEPARABILITY OF PROVISIONS OF SECTIONS 411-419

Section 11 of act Mar. 11, 1941, cited to text, which act constitutes sections 411-419 of this title, provided as follows: “If any provision of this Act or the application of such provision to any circumstance shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other circumstances shall not be affected thereby.”

CROSS REFERENCES

The Surplus Property Act of 1944, sections 1611-1646 of Appendix to Title 50, as inapplicable to sections 411-419 of this title, see section 1643 (b) of Appendix to Title 50, War.

§ 412. Same; procurement for and transfer of defense articles to other countries; repairs, etc.; limitation on amount; termination of powers; naval convoys; combat area navigation.—(a)

Notwithstanding the provisions of any other law, the President may, from time to time, when he deems it in the interest of national defense, authorize the Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government—

(1) To manufacture in arsenals, factories, and shipyards under their jurisdiction, or otherwise procure, to the extent to which funds are made available therefor, or contracts are authorized from time to time by the Congress, or both, any defense article for the government of any country whose defense the President deems vital to the defense of the United States.

(2) To sell, transfer title to, exchange, lease, lend, or otherwise dispose of, to any such government any defense article, but no defense article not manufactured or procured under paragraph (1) shall in any way be disposed of under this paragraph, except after consultation with the Chief of Staff of the Army or the Chief of Naval Operations of the Navy, or both. The value of defense articles disposed of in any way under authority of this paragraph, and procured from funds heretofore appropriated, shall not exceed \$1,300,000,000. The value of such defense articles shall be determined by the head of the department or agency concerned or such other department, agency or officer as shall be designated in the manner provided in the rules and regulations issued hereunder. Defense articles procured from funds hereafter appropriated to any department or agency of the Government, other than from funds authorized to be appropriated under sections 411-419 of this title, shall not be disposed of in any way under authority of this paragraph except to the extent hereafter authorized by the Congress in the Acts appropriating such funds or otherwise.

(3) To test, inspect, prove, repair, outfit, recondition, or otherwise to place in good working order, to the extent to which funds are made available therefor, or contracts are authorized from time to time by the Congress, or both, any defense article for any such government, or to procure any or all such services by private contract.

(4) To communicate to any such government any defense information, pertaining to any defense article furnished to such government under paragraph (2) of this subsection.

(5) To release for export any defense article disposed of in any way under this subsection to any such government.

(b) The terms and conditions upon which any such foreign government receives any aid authorized under subsection (a) shall be those which the President deems satisfactory, and the benefit to the United States may be payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory: *Provided, however,* That nothing in this paragraph shall be construed to authorize the President to assume or incur any obligations on the part of the United States with respect to post-war economic policy, post-war military policy or any post-war policy involving international relations except in accordance with established constitutional procedure.

(c) After June 30, 1945, or after the passage of a concurrent resolution by the two Houses before June 30, 1945, which declares that the powers conferred by or pursuant to subsection (a) are no longer necessary to promote the defense of the United States, neither the President nor the head of any department or agency shall exercise any of the powers conferred by or pursuant to subsection (a); except that until July 1, 1948, any of such powers may be exercised to the extent necessary to carry out a contract or agreement with such a foreign government made before July 1, 1945, or before the passage of such concurrent resolution, whichever is the earlier.

(d) Nothing in sections 411-419 of this title shall be construed to authorize or to permit the authorization of conveying vessels by naval vessels of the United States.

(e) Nothing in sections 411-419 of this title shall be construed to authorize or to permit the authorization of the entry of any American vessel into a combat area in violation of section 443 of this title. (Mar. 11, 1941, ch. 11, § 3, 55 Stat. 31, as amended Mar. 11, 1943, ch. 15, 57 Stat. 20; May 17, 1944, ch. 198, §§ 1, 2, 58 Stat. 222, 223.)

§ 413. Same; contract restrictions against disposal of transferred articles by transferee governments.—All contracts or agreements made for the disposition of any defense article or defense information pursuant to section 412 shall contain a clause by which the foreign government undertakes that it will not, without the consent of the President, transfer title to or possession of such defense article or defense information by gift, sale, or otherwise, or permit its use by anyone not an officer, employee, or agent of such foreign government. (Mar. 11, 1941, ch. 11, § 4, 55 Stat. 32.)

§ 414. Same; information regarding articles exported; reports to Congress.—(a) The Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government involved shall, when any such defense article or defense information is exported, immediately inform the department or agency designated by the President to administer section 99 of Title 50, of the quantities, character, value, terms of disposition, and destination of the article and information so exported.

(b) The President from time to time, but not less frequently than once every ninety days, shall transmit to the Congress a report of operations under sections 411-419 of this title except such information as he deems incompatible with the public interest to disclose. Reports provided for under this subsection shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session. (Mar. 11, 1941, ch. 11, § 5, 55 Stat. 32.)

§ 415. Same; appropriations; disposition of repayments.—(a) There is hereby authorized to be appropriated from time to time, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions and accomplish the purposes of sections 411-419 of this title.

(b) All money and all property which is converted into money received under section 412 from any government shall, with the approval of the Director of the Budget, revert to the respective appropriation or appropriations out of which funds were expended with respect to the defense article or defense information for which such consideration is received, and shall be available for expenditure for the purpose for which such expended funds were appropriated by law, during the fiscal year in which such funds are received and the ensuing fiscal year; but in no event shall any funds so received be available for expenditure after June 30, 1948. (Mar. 11, 1941, ch. 11, § 6, 55 Stat. 33, as amended Mar. 11, 1943, ch. 15, 57 Stat. 20; May 17, 1944, ch. 198, § 1, 58 Stat. 222.)

§ 416. **Same; protection of patent rights.**—The Secretary of War, the Secretary of the Navy, and the head of the department or agency shall in all contracts or agreements for the disposition of any defense article or defense information fully protect the rights of all citizens of the United States who have patent rights in and to any such article or information which is hereby authorized to be disposed of and the payments collected for royalties on such patents shall be paid to the owners and holders of such patents. (Mar. 1, 1941, ch. 11, § 7, 55 Stat. 33.)

§ 417. **Same; acquisition of war materials from foreign governments.**—The Secretaries of War and of the Navy are hereby authorized to purchase or otherwise acquire arms, ammunition, and implements of war produced within the jurisdiction of any country to which section 412 is applicable, whenever the President deems such purchase or acquisition to be necessary in the interests of the defense of the United States. (Mar. 11, 1941, ch. 11, § 8, 55 Stat. 33.)

§ 418. **Same; rules and regulations; delegation of powers.**—The President may, from time to time, promulgate such rules and regulations as may be necessary and proper to carry out any of the provisions of sections 411-419 of this title; and he may exercise any power or authority conferred on him by sections 411-419 of this title through such department, agency, or officer as he shall direct. (Mar. 11, 1941, ch. 11, § 9, 55 Stat. 33.)

§ 419. **Same; effect on existing laws relating to use of land and naval forces.**—Nothing in sections 411-419 of this title shall be construed to change existing law relating to the use of the land and naval forces of the United States, except insofar as such use relates to the manufacture, procurement, and repair of defense articles, the communication of information and other noncombatant purposes enumerated in sections 411-419 of this title. (Mar. 11, 1941, ch. 11, § 10, 55 Stat. 33.)

§ 421. **Contracts by Government agencies for defense articles, services, etc., for foreign governments in interests of United States.**—The President may, from time to time, when he deems it in the interest of national defense, authorize the head of any department or agency of the Government, to enter into contracts for the procurement of defense articles, information, or services for the government of any country whose defense the President deems vital to the defense of the United States, to the extent that

such government agrees to pay the United States for such defense articles, information, or services prior to the receipt thereof and to make such payments from time to time as the President may require to protect the interests of the United States; and, upon payment of the full cost, the President may dispose of such articles, information, or services to such government: *Provided*, That the total amount of the outstanding contracts under this section, less the amounts which have been paid to the United States under such contracts, shall at no time exceed \$600,000,000. (Oct. 28, 1941, ch. 460, title I, § 102, 55 Stat. 746.)

§ 422. **Same; retention for United States defense articles procured for foreign governments.**—Any defense article procured pursuant to section 421 of this title shall be retained by or transferred to and for the use of such department or agency of the United States as the President may determine, in lieu of being disposed of to a foreign government, whenever in the judgment of the President the defense of the United States will be best served thereby. (Oct. 28, 1941, ch. 460, title I, § 103, 55 Stat. 747.)

§ 423. **Retention for defense of United States of certain articles, information or service procured for foreign governments.**—Any defense article, information, or service procured from funds appropriated by Act June 14, 1943, ch. 122, 57 Stat. 151, or prior Acts appropriating funds to the President for the purpose of carrying out the provisions of sections 411-419 of this title, shall be retained by or transferred to and for the use of such department or agency of the United States as the President may determine, in lieu of being disposed of to a foreign government, whenever in the judgment of the President the defense of the United States will be best served thereby: *Provided further*, That none of the funds appropriated in said Act June 14, 1943, shall be used for the payment of any subsidy on agricultural products produced in the continental United States. (June 14, 1943, ch. 122, § 2, 57 Stat. 152.)

HEMISPHERAL RELATIONS

§ 501. **Utilization of services of Government agencies to promote inter-American relations.**—In order to render closer and more effective the relationship between the American republics the President of the United States is hereby authorized, subject to such appropriations as are made available for the purpose, to utilize the services of the departments, agencies, and independent establishments of the Government in carrying out the reciprocal undertakings and cooperative purposes enunciated in the treaties, resolutions, declarations, and recommendations signed by all of the twenty-one American republics at the Inter-American Conference for the Maintenance of Peace held at Buenos Aires, Argentina, in 1936, and at the Eighth International Conference of American States held at Lima, Peru, in 1938. (Aug. 9, 1939, ch. 616, § 1, 53 Stat. 1290.)

§ 502. **Same; creation of advisory committees.**—The President is authorized to create such advisory committees as in his judg-

ment may be of assistance in carrying out the undertakings of this Government under the treaties, resolutions, declarations, and recommendations referred to, but no committee or member thereof shall be allowed any salary or other compensation for services: *Provided, however,* That they may, within the limits of appropriations made available therefor by the Congress, which appropriations are hereby authorized, be paid their actual transportation expenses and not to exceed \$10 per diem in lieu of subsistence and other expenses while away from their homes in attendance upon meetings within the United States under instructions from the Secretary of State. (Aug. 9, 1939, ch. 616, § 2, 53 Stat. 1290.)

